

Beginning Stocks Of All Rice Remain Stable



There were no supply side revisions this month. Total U.S. rice supplies in 2010/11 remain projected at 297.8 million cwt, almost 11 percent larger than a year earlier and the highest on record. In 2010/11, a record crop and larger carryin more than offset a decline in imports.

Beginning stocks of all rice remain estimated at 36.7 million cwt, 20 percent larger than a year earlier. The 2010/11 long-grain carryin remains estimated at 23.2 million cwt, up 15 percent from a year earlier. The medium/short-grain carryin remains estimated at 12.1 million cwt, 50 percent larger than last year and the highest since 2005/06.

Total U.S. rice imports for 2010/11 remain forecast at 18.0 million cwt, 5 percent below a year earlier and the third consecutive year of a decline. Beginning in the early 1980s, U.S. rice imports increased almost every year, reaching a record 23.9 million cwt in 2007/08 and accounting for almost 20 percent for total domestic and residual use (excluding seed use). This year, imports are projected to account for less than 15 percent of total domestic and residual use.

Long-grain imports remain projected at 15.5 million cwt, 6 percent below a year earlier. Through December, shipments from India and Vietnam were well behind last year's pace.

In 2010/11, the U.S. harvested 243.1 million cwt of rice, almost 11 percent larger than a year earlier and the largest U.S. crop on record. The bumper crop was the result of a 16.5 percent increase in harvested area to 3.62 million acres, the second highest on record, with long-grain accounting for all of the area expansion. In contrast, the average field yield of 6,725 pounds was 360 pounds below a year earlier and the lowest average U.S. field yield since 2005/06.

Long-grain accounts for all of the U.S. production increase in 2010/11. At 183.3 million cwt, the U.S. long-grain crop is 20 percent above a year earlier and the largest long-grain crop on record.

The U.S. medium/short-grain crop of 59.8 million cwt is 11 percent below a year earlier, a result of both reduced plantings and a weaker yield. At 789,000 acres, combined medium/short-grain harvested area is 6 percent below a year earlier.

This month, USDA raised its 2010/11 average milling yield estimate to 67.75 percent from 67.50 percent, well below 69.36 percent in 2009/10 and the lowest since at least 1960/61.

U.S. 2010/11 Rough-Rice Export Forecast Lowered 1.0 Million Cwt to 42.0 Million Cwt

Total use of U.S. rice in 2010/11 remains projected at 245.0 million cwt, 5 percent above a year earlier and the highest on record.

Total domestic and residual use of all-rice remains projected at a record 129.0 million cwt for 2010/11, more than 5 percent above a year earlier. Part of the year-to-year increase is due to the historically low 2010/11 milling rate.

By class, long-grain domestic disappearance remains projected at a record 101.0 million cwt, 11 percent above a year earlier.

Total exports of U.S. rice in 2010/11 remain projected at 116.0 million cwt, 5 percent larger than a year earlier and the highest since 2005/06. Through March 3, U.S. sales and shipments to Africa were well ahead of a year earlier.

U.S. milled rice exports (combined milled and brown rice exports on a rough basis) are projected at 74.0 million cwt, up 1.0 million cwt from last month's forecast and 7 percent above a year earlier.

By class, U.S. long-grain exports remain projected at 78.0 million cwt, almost 4 percent larger than a year earlier. Sub-Saharan Africa accounts for most of the expected increase in U.S. long-grain exports in 2010/11.

Combined medium- and short-grain exports remain projected at a record 38.0 million cwt, 9 percent larger than a year earlier.

U.S. 2010/11 Long-Grain Ending Stocks Are Projected To Increase 86 Percent in 2010/11

U.S. ending stocks of all-rice in 2010/11 remain projected at 52.8 million cwt, 44 percent above a year earlier and the largest ending stocks since 1985/86.

By class, the 2010/11 long-grain carryout remains projected at 42.9 million cwt, almost 86 percent larger than a year earlier and the highest since 1985/86. The long-grain stocks-to-use ratio remains calculated at 24.0 percent, up from 13.9 percent last year and also the highest since 1985/86.

The medium/short-grain carryout remains projected at 8.4 million cwt, 31 percent below a year earlier. The decline is primarily due to the smaller crop. The medium/short-grain stocks-to-use ratio is calculated at 12.7 percent, well below the 2009/10 ratio of 18.1 percent and the lowest since at least 1982/83 when USDA first reported supply and use estimates by class.

U.S. Long-grain Season-Average Farm Price Raised to \$11.05-\$11.55 per Cwt

The 2010/11 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$11.05-\$11.55 per cwt, up 30 cents on both the high- and low-end from last month's forecast, but still below the \$12.90 per cwt reported for last year.

The combined medium/short-grain 2010/11 U.S. SAFP is projected at \$16.25-\$16.75 per cwt, down 50 cents on both the high- and low-end from last month's forecast range. The downward revision is based on NASS-reported monthly cash prices through mid-February and expectations regarding prices the remainder of the market year. The 2010/11 projected medium/short-grain SAFP is below the 2009/10 SAFP of \$18.40. Almost 75 percent of the U.S. medium- and short-grain rice is grown in California. The U.S. is likely to face some competition in the global medium- and short-grain market from Australia late in the 2010/11 market year. Australia's 2010/11 rice crop – virtually all medium- and short-grain – is projected to be the largest since 2005/06, allowing the country to return as a major exporter of medium- and short-grain rice.

Last month, NASS reported a mid-February 2011 cash price for long-grain rice of \$12.70 per cwt, up 80 cents from the revised January price and the highest since April 2010. The January price is unchanged from the preliminary estimate of \$11.90 per cwt. For medium/short-grain rice, the mid-February NASS price was reported at \$17.10 per cwt, up 90 cents from the revised January price and the highest since August 2010. The January medium/short-grain rough-rice cash price was raised 50 cents from the mid-month estimate to \$16.20 per cwt. Δ



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