

# Despite Average Yield, Rice Crop Larger Than 2008



ECONOMIC RESEARCH SERVICE

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USA Rice Federation

The 2009/10 U.S. rough-rice crop forecast was lowered 1 percent to 218.2 million cwt due to a reduced average field yield. Despite this month's downward revision, the crop is still 7 percent larger than a year ago.

By class, the long-grain production forecast was lowered 1 percent to 152.5 million cwt, fractionally below a year earlier. Combined medium/short-grain production was also lowered 1 percent, to 65.7 million cwt, still 30 percent larger than a year earlier and the largest since 1981/82.

Harvested area remains estimated at 3.1 million acres, up 4 percent from a year earlier.

Yield forecasts were lowered this month for Arkansas, Mississippi, and Texas. On an annual basis, yields are projected higher in all reported States except Mississippi. The Missouri yield remains forecast at a record 7,000 pounds per acre. California's average yield remains forecast at 8,500 pounds per acre, up 2 percent from last year and just 100 pounds below the 2004/05 record.

## Arkansas, California, and Louisiana Account for Bulk of Increased U.S. Production

Rice production in 2009/10 is projected to be larger than last year in all reported States, with Arkansas, California, and Louisiana accounting for most of the increase. At 99.3 million cwt, the Arkansas rice crop is almost 7 percent larger than a year earlier, mostly due to expanded plantings. California's production is projected at 46.7 million cwt, up more than 8 percent from last year and second only to the 2004/05 record harvest.

Despite smaller plantings, rice production in Texas is projected to increase 3 percent to 12.2 million cwt, a result of a record yield. Unlike the Delta, the weather in Texas was quite favorable to rice production this year. Mississippi's rice production is projected to increase 1 percent to 15.8 million cwt, a result of larger plantings.

Harvest is complete on the Gulf Coast, but behind normal in much of the rest of the South. For the U.S. as a whole, 96 percent of the crop was reported harvested by November 8, about 2 percentage points behind the U.S. 5-year average.

Total U.S. supplies of rice in 2009/10 are projected at 269.7 million cwt, down 2.4 million from last month's forecast, but 7 percent larger than a year ago. Supplies are the largest since 2005/06. At 30.4 million cwt, the 2009/10 all-rice carryin is more than 3 percent above a year earlier. The medium/short-grain carryin of 8.0 million cwt is 12 percent below a year earlier. Long-grain carryin of 20.1 million cwt is more than 5 percent larger than last year.

Imports remain projected at 21.0 million cwt, up 9 percent from 2008/09 and the second highest on record. Long-grain imports remain forecast at a near-record 17.5 million cwt, up 10 percent from a year earlier.

## Despite Increased Total Use, U.S. Ending Stocks Are Expected To Be the Highest Since 1986/87

Total use of U.S. rice in 2009/10 remains projected at 225.5 million cwt, up almost 2 percent from last year.

The 2009/10 rough-rice export forecast remains at 33.0 million, up 6 percent from last year.

By class, long-grain exports are forecast at 68.0 million cwt, up almost 5 percent from

2008/09.

Combined medium/short-grain U.S. exports remain forecast at 28.0 million cwt, almost 2 percent below the 2008/09 near-record. Despite the year-to-year decline, medium/short-grain exports in 2009/10 are the second highest since 1982/83. Northeast Asia, the Eastern Mediterranean, and Oceania are the largest markets for U.S. medium/short-grain rice. Egypt – a major supplier in the Mediterranean – continues to restrict exports, a factor behind near-record U.S. medium/short-grain exports since 2008/09. Oceania was previously supplied by Australia, until severe drought sharply reduced Australia's production.

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. Monthly data from the U.S. Treasury Department indicate a substantial decline in use of rice in beer since 2003/04. In 2008/09, less than 11 million cwt (rough-basis) of rice was reported shipped for brewers' use, down from more than 16 million cwt in 2003/04.

By class, long-grain domestic and residual use remains forecast at 99.5 million, down 3 percent from the year-earlier record.

U.S. ending stocks for 2009/10 are projected at 44.2 million cwt, down 2.4 million cwt from last month's forecast but 45 percent above a year earlier. These are the highest ending stocks since 1986/87.

By class, long-grain ending stocks are projected at 22.6 million cwt, down 7 percent from last month's forecast but almost 13 percent above a year earlier.

## U.S. 2009/10 Season-Average Farm Price Forecast Raised to

**\$13.85-\$14.85 per cwt**

The 2009/10 season-average farm price (SAFP) is projected at \$13.85-\$14.85 per cwt, up 85 cents on both ends from last month's forecast, but still below the 2008/09 record of \$16.80. The long-grain 2009/10 SAFP is projected at \$12.50- \$13.50 per cwt, up 75 cents on both ends from last month, but below the record \$15.00 last year.

The medium/short-grain 2009/10 SAFP is projected at \$18.00-\$19.00 per cwt, up 50 cents on both ends from last month, but well below last year's record of \$23.70.

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The medium/short-grain 2009/10 SAFP is projected at \$18.00-\$19.00 per cwt, up 50 cents on both ends from last month, but well below last year's record of \$23.70.

The medium/short-grain revision is based on higher than expected U.S. cash prices through mid-October and a continuation of export restrictions by Egypt.

Last month, USDA reported a mid-October all-rice rough-rice cash price of \$15.30 per cwt and raised the September price 20 cents from the mid-month estimate to \$14.20. By class, the long-grain mid-October cash price was reported at \$12.30 per cwt, down 40 cents from the revised September cash price. The September long-grain price was raised 10 cents from the mid-month estimate to \$12.70. For medium/short-grain rice, the mid-October price was reported at \$21.90 per cwt, up \$1.50 from the revised September price. The September medium/short-grain price was lowered \$2.40 from the mid-month estimate. Δ

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