

Extreme Heat, Rainy Fall Causes Rice Yield Decline



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rice outlook

ECONOMIC RESEARCH SERVICE

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There were no supply-side revisions this month to the 2010/11 balance sheet. The 2010/11 U.S. rice crop remains forecast at 241.6 million cwt, 10 percent larger than a year earlier and the highest on record. The bumper crop is the result of a 17-percent increase in harvested area to 3.62 million acres, the second highest on record.

By class, U.S. long-grain 2010/11 production remains projected at 181.5 million cwt, 19 percent larger than a year earlier and the highest on record. Expanded plantings account for all of this year's increase in U.S. long-grain production.

On a year-to-year basis, plantings were larger in 2010/11 in all reported States, with plantings the highest on record in Arkansas and Missouri. Average field yields were lower than last year in all reported States, except in Louisiana where field yields were the highest on record. All reported States harvested larger crops in 2010/11 except California. Record crops were harvested in Arkansas, Louisiana, Mississippi, and Missouri. This year's record production is partially offset by a low milling yield.

U.S. 2010/11 Total Rice Supplies Are Nearly 11 Percent Larger than Last Year

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. Carryin, production, and imports are all projected to be larger in 2010/11 than last year. Long-grain accounts for all of the year-to-year increase in total supplies. Long-grain supplies remain forecast at a record 221.6 million cwt, 17 percent larger than a year earlier. Combined medium/short-grain total supplies remain forecast at 74.7 million cwt, 5 percent below a year earlier.

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.

Total imports for 2010/11 remain forecast at 19.5 million cwt, up almost 3 percent from a year earlier. Long-grain imports remain projected at 17.0 million cwt, up 3 percent from a year earlier, but still almost 4 percent below the 2007/08 record. Thailand supplies the bulk of U.S. long-grain imports, with its premium jasmine rice accounting for nearly all of its shipments to the United States.

U.S. 2010/11 Medium/short-Grain Export Forecast Raised 1.0 Million Cwt to a Record 36.0 Million Cwt

Total use of U.S. rice in 2010/11 remains projected at a record 248.0 million cwt, almost 7 percent above a year earlier. Long-grain total use is projected at a record 182.0 million cwt, down 1.0 million from last month, but almost 10 percent larger than a year earlier. Medium/short-grain total use is forecast at 66.0 million cwt, up 1.0 million cwt from last month's forecast, but almost 1 percent below last year.

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. By class, long-grain domestic disappearance remains projected at a near-record 99.0 million cwt, 9 percent above a year earlier. Combined medium/short-grain domestic disappearance remains projected at 30.0 million cwt, 6 percent below 2009/10. The year-to-year decline in medium/short-grain domestic disappearance is based on expectations of some switching by processors from medium/short-grain rice to lower-priced long-grain rice.

Total exports of U.S. rice in 2010/11 remain projected at 119.0 million cwt, up 8 percent from a year earlier. By type, U.S. rough-rice exports remain projected at a record 45.0 million cwt, 10 percent above a year earlier. Latin America accounts for most of the expected increase in U.S. rough-rice exports in 2010/11. U.S. milled rice exports (combined milled and brown rice exports on a rough basis) remain projected at 74.0 million cwt, 7 percent larger than a year earlier. Sub-Saharan Africa and North Africa account for much of the expected increase in U.S. milled rice exports in 2010/11.

By class, U.S. long-grain exports are projected at 83.0 million cwt, down 1.0 million cwt from last month, but 10 percent larger than a year earlier. The downward revision was largely based on weaker-than-expected sales to the Middle East. On an annual basis, Sub-Saharan Africa and Latin America account for most of the expected increase in U.S. long-grain exports in 2010/11. Combined medium/short-grain exports are projected at a record 36.0 million cwt, up 1.0 million cwt from last month and more than 3 percent larger than a year earlier.

U.S. 2010/11 Ending Stocks Forecast To be the Highest since 1986/87

U.S. ending stocks in 2010/11 remain projected at 49.8 million cwt, up 36 percent from a year earlier and the largest ending stocks since 1986/87. The stocks-to-use ratio remains calculated at 20.1 percent, up from 15.8 percent in 2009/10 and the highest since 1992/93.

By class, the 2010/11 long-grain carryout was raised 1.0 million cwt to 39.6 million cwt, 71 percent larger than a year earlier and the highest since 1985/86. The long-grain stocks-to-use ratio is calculated at 21.8 percent, the highest since 1986/87.

The medium/short-grain carryout was lowered 1.0 million cwt to 8.7 million cwt, 28 percent below a year earlier. The medium/short-grain stocks-to-use ratio is calculated at 13.2 percent, about 5 percentage points below the 2009/10 ratio.

U.S. Long-grain Season-Average Farm Price Projected To Decline in 2010/11

The 2010/11 season-average farm price (SAFP) for U.S. long-grain rice remains projected at \$10.50-\$11.50 per cwt, down from \$12.80 in 2009/10.

The combined medium/short-grain 2010/11 U.S. SAFP is projected at \$16.80-\$17.80 per cwt, down 50 cents on both the high and low end from last month. The downward revision is based on monthly prices through October and expectations regarding prices the remainder of the market year. The 2010/11 SAFP is little changed from the 2009/10 SAFP of \$17.70.

Last month, NASS reported a mid-November 2010 cash price for long-grain rice of \$10.40 per cwt, up 30 cents from the revised October price. The October price was raised 15 cents from the preliminary estimate to \$10.10 per cwt. For medium/short-grain rice, the mid-November NASS price was reported at \$17.10 per cwt, up 50 cents from the revised October price. The October medium/short-grain rough-rice cash price was lowered \$1.60 per cwt from the mid-month estimate to \$16.60 per cwt. Δ