

Long Grain Accounts For Soaring Rice Use



The only supply side revision this month to the 2012/13 U.S. rice balance sheet (on a rough-equivalent basis) was a 0.5-million cwt increase in imports to 21.0 million cwt, up 8.5 percent from a year earlier. These are the second highest imports on record.

Thailand remains the largest supplier, accounting for around 70 percent of U.S. rice imports. India and Pakistan typically account for the bulk of the remaining U.S. rice imports. Specialty rices, mostly aromatics, account for nearly all of shipments to the United States from these three major Asian exporters. This year, Vietnam shipped almost 37,000 tons of broken to the U.S. in September. Vietnam typically supplies little rice to the United States.

Long-grain accounted for all of the upward revision in U.S. rice imports this month. At 18.5 million cwt, U.S. long-grain imports are up 0.5 million cwt from last month's forecast and 9 percent larger than a year earlier. These are the highest U.S. long-grain imports on record. Medium- and short-grain imports remain projected at 2.5 million cwt for 2012/13, up 3 percent from a year earlier. Specialty rice from Thailand, classified as medium- and short-grain, accounts for the bulk of U.S. medium- and short-grain imports. Arborio rice from Italy accounts for most of the remainder.

The U.S. crop remains estimated at 199.5 million cwt, 8 percent larger than a year earlier, a result of both expanded area and a record yield.

The 2012/13 U.S. long-grain crop remains estimated at 144.2 million cwt, an increase of 24 percent from a year earlier. At a record 7,285 pounds per acre, the long-grain average yield is up 594 pounds from a year earlier. Long-grain harvested area remains estimated at 1.98 million acres, 14 percent larger than a year earlier. Almost all U.S. long-grain rice is grown in the South.

The combined medium- and short-grain 2012/13 crop remains estimated at 55.3 million cwt, 19 percent below a year earlier. Combined medium- and short-grain plantings declined 21 percent to 705,000 acres, with the South accounting for the bulk of the decline.

In 2012/13, harvested area was smaller than a year earlier in all reported States except for Arkansas and Missouri. In 2011/12, severe early-season flooding reduced and delayed plantings in both Arkansas and Missouri. Average U.S. yields in 2012/13 were higher than a year earlier in all reported States except for California, with record yields reported for Arkansas, Louisiana, Missouri, and Texas. In 2012/13, California growers experienced a wet spring, an extremely hot August, and a cool, wet fall, resulting in a late harvest. Production in 2012/13 declined in all reported States except for Arkansas and Missouri.

The 2012/13 all rice carryin remains estimated at 41.1 million cwt, 15 percent below a year earlier. The long-grain 2012/13 carryin remains estimated at 24.3 million cwt, 32 percent below a year earlier. The medium- and short-grain carryin remains estimated at 14.7 million cwt, up 45 percent from a year earlier. Stocks of broken, included in the all-rice stocks esti-

mate, are not classified by class.

Total supplies for 2012/13 are forecast at 261.6 million cwt, up 0.5 million cwt from last month's forecast and 3.5 percent larger than a year earlier. A larger crop and record imports are projected to more than offset a much smaller carryin.

U.S. Long-Grain Exports Are Projected To Increase 12 Percent in 2012/13

There were no revisions to the use side of the 2012/13 U.S. rice balance sheet this month. Total use of U.S. rice in 2012/13 remains projected at 231.0 million cwt, 9 percent above a year earlier. By class, long-grain total use remains projected at 169.0 million cwt, 17 percent above a year earlier. Medium- and short-grain total use remains projected at 62.0 million cwt, more than 7 percent below a year earlier. The expected decline is mostly due to tighter supplies and higher prices.

Total domestic and residual use of all-rice in 2012/13 remains projected at 125.0 million cwt, 13.5 percent higher than a year earlier. For long-grain, 2012/13 domestic and residual use remains projected at 94.0 million cwt, 21 percent larger than a year earlier. Medium- and short-grain domestic and residual use is projected at 31.0 million, 4 percent below a year earlier.

Total exports of U.S. all rice in 2012/13 remain projected at 106.0 million cwt, more than 4 percent above a year earlier. By type, U.S. rough-rice exports remain projected at 34.0 million cwt, 4 percent larger than a year earlier. Through January 2013, total U.S. sales to both Mexico and Central America were well ahead of a year earlier.

Milled rice exports (combined milled- and brown-rice exports converted to a rough basis) remain projected at 72.0 million cwt, 4.5 percent above a year earlier.

By class, long-grain exports are projected at 75.0 million cwt, 12 percent above a year earlier. South America has been a stronger buyer in 2012/13 than a year earlier. In addition, Iran has purchased 60,000 tons of U.S. long-grain milled rice for shipment later this year.

U.S. ending stocks of all-rice in 2012/13 are projected at 30.6 million cwt, up 0.5 million cwt from last month's forecast, but still 26 percent below a year earlier. The stocks-to-use ratio is calculated at 13.2 percent, down from 19.4 percent in 2011/12.

U.S. 2012/13 Long-Grain Season-Average Price Forecast Raised

The 2012/13 season-average farm price (SAFP) for U.S. long-grain rice is forecast at \$14.00-\$14.60 per cwt, with the mid-point up 10 cent from the mid-point of last month's forecast of \$13.70-\$14.70 per cwt. The 2012/13 long-grain SAFP is well above the 2011/12 SAFP of \$13.40 per cwt.

The combined medium- and short-grain 2012/13 U.S. SAFP is forecast at \$15.90-\$16.50 per cwt, with the mid-point down 30 cents from last month's mid-point. In late January, USDA raised the 2011/12 medium- and short- grain SAFP by 60 cents per cwt to \$17.10 based on revised monthly prices and marketings.

In late January, NASS reported a mid-January U.S. long-grain rough-rice price of \$14.70 per cwt, up 60 cents from the revised December estimate and the highest since January 2009. The December price was lowered 10 cents from the mid-month estimate to \$14.10. For combined medium- and short- grain rice, the mid-January NASS price was reported at \$15.50 per cwt, down 60 cents from the December price. The December price remains estimated at \$16.10. Δ