

Long Grain Imports Lowered, Though Still High



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There were two supply side revisions this month to the 2010/11 U.S. all-rice balance sheet. First, the 2010/11 all-rice carryin was lowered 2.0 million cwt to 28.4 million, 7 percent below a year earlier and the smallest since 2004/05.

The second 2010/11 all-rice supply side revision this month is a 1.0-million cwt reduction in imports to 21.0 million cwt, still 5 percent above a year earlier and the second highest on record. The downward revision was largely due to a reduced 2009/10 import forecast.

The 2010/11 U.S. rough-rice crop remains projected at a record 244.0 million cwt, up 11 percent from a year earlier. The 2010/11 U.S. long-grain crop is projected at 177.0 million cwt, up 16 percent from a year earlier, but fractionally below the 2005/06 record. Combined medium/short-grain production is projected at 67.0 million cwt, virtually unchanged from last year, but still 7 percent below the 1981/82 record.

Total U.S. rice supplies in 2010/11 are projected at a record 293.4 million cwt, down 3.0 million cwt from last month's forecast, but up almost 9 percent from a year earlier. Total supplies in 2010/11 are projected almost 6 percent above the previous record achieved in 2005/06.

Despite Late Plantings, California Crop Conditions Have Improved

Progress of the 2010/11 U.S. rice crop is ahead of normal in most southern growing States, with planting in the region virtually complete by late May.

The condition of the 2010 U.S. rice crop has improved since mid-May. For the week ending June 6, about 76 percent of the U.S. crop was rated in good or excellent condition, up 2 percentage points from a week earlier and well ahead of just 58 percent in early May. California accounts for most of the improvement over the past week and past month. For the week ending June 6, three-fourths of the California crop was rated in good or excellent condition, up from 70 percent a week earlier and much higher than the mere 15 percent reported in early May.

Crop conditions improved in much of the South in early June as well. In Missouri, 87 percent of the crop was rated in good or excellent condition for the week ending June 6, up from 84 percent a week earlier and just 66 percent a year ago. Elsewhere in the Delta, 71 percent of the Arkansas crop was rated in good or excellent condition, unchanged from a week earlier, but well ahead of just 42 percent a year ago. In Mississippi, 85 percent of the crop was rated in good or excellent condition for the week ending June 6, up from 79 percent a week earlier, but slightly below last year.

Conditions improved on the Gulf Coast as well. In Texas, 83 percent of the crop was rated in good or excellent condition for the week ending June 6, up 5 percentage points from May 30 and well above the 64 percent reported a year earlier. About 79 percent of the Louisiana crop was rated in good or excellent condition, 1 percentage point above May 30 and higher than the 67 percent reported a year earlier.

U.S. 2010/11 Total Domestic and Residual Use

Projection Raised to a Record 139.0 Million Cwt

This month, forecasts for both total domestic and residual rice use and exports were raised. At a record 139.0 million cwt, total domestic and residual use is up 1.0 million cwt from last month's forecast and 2 percent larger than the year earlier revised estimate.

By class, 2010/11 long-grain domestic use remains projected at a record 106.0 million cwt, 2 percent above a year earlier. Combined medium/short-grain domestic use is projected at 33.0 million cwt, up 1.0 million cwt from last month's forecast, but unchanged from the revised 2009/10 estimate. Expansion of domestic use of medium/short-grain rice is limited by the substantial price difference by class, with medium/short-grain rough-rice prices currently about one-third higher than long-grain prices. The price difference by class has narrowed since 2008/09.

U.S. exports of all-rice in 2010/11 are projected at 109.0 million cwt, up 2.0 million cwt from last month's forecast and 4 percent above 2009/10.

Medium/short-grain exports remain projected at 31.0 million cwt, down 6 percent from the 2009/10 record, but still one of the highest on record.

By type of rice, U.S. rough-rice exports are projected at a record 45.0 million cwt, up 2.0 million cwt from last month's forecast and 7 percent larger than 2009/10 rough-rice exports.

Ending stocks of all-rice in 2010/11 are projected at 45.4 million cwt, down 6.0 million cwt from last month's forecast, but up 60 percent from 2009/10 and the highest since 1986/87.

By class, long-grain ending stocks are projected at 25.3 million cwt, down 3.0 million from last month's forecast and 77 percent larger than this year's projected ending stocks.

2009/10 U.S. Import

Forecast Lowered;

Domestic and Residual Use Raised

The only supply-side revision this month to the 2009/10 all-rice balance sheet is a 1.0 million cwt reduction in imports to 20.0 million cwt, with the long- and medium/short-grain import forecasts each lowered 0.5 million cwt.

On the use side, total domestic and residual use was raised 1.0 million cwt to 137.0 million, almost 9 percent above a year earlier.

On balance, these revisions resulted in a 2.0-million cwt reduction in the ending stocks forecast to 28.4 million cwt, a decline of 7 percent from a year earlier.

U.S. 2009/10 and 2010/11 Long-Grain Season-Average

Farm Price Forecasts Lowered

The 2010/11 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$9.75-\$10.75 per cwt, down 25 cents on both ends from last month and well below a revised \$12.85 to \$13.05 in 2009/10. U.S. accounts for only about 10 percent of global long-grain exports, U.S. prices are heavily influenced by events in the global market.

The combined medium/short-grain 2010/11 U.S. season-average price remains projected at \$14.50-\$15.50 per cwt, down from a revised 2009/10 SAFP of \$17.75- \$17.95.

Last month, USDA's National Agricultural Statistics Service (NASS) reported a mid-May 2010 cash price for long-grain rice of \$13.00 per cwt, 30 cents above the revised April price and up 40 cents from August 2009. The April price was lowered 50 cents from a preliminary estimate of \$13.20. For medium/short-grain rice, the mid-May NASS price was reported at \$18.70 per cwt, up \$1.70 from the revised April price. The April medium/short-grain rough-rice cash price was lowered 50 cents from the mid-month estimate of \$17.50 per cwt. Δ