

Long-Grain Rice Accounts For Forecast Rice Production Drop



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The 2009/10 U.S. rough-rice crop forecast is lowered 4.0 million cwt to 220.0 million cwt, a result of a downward revision in the yield forecast. The average field yield was lowered 127 pounds from last month's forecast to 6,955 pounds, still nearly 2 percent higher than last year. Both the May and June yield forecasts are based on 1990-2008 trends by class of rice. Long-grain accounts for all of the downward revision in 2009/10 production.

The 2009/10 long-grain production forecast was lowered 2 percent to 169.0 million cwt, still 10 percent larger than the previous year.

The 2009/10 yield forecast was lowered due to heavy rains during May that delayed plantings several weeks in much of the Delta, the largest rice-growing region in the United States.

Planted area remains projected at 3.18 million acres, 6 percent higher than last year.

Delta Plantings and Crop Progress Delayed by Heavy Rains in May

Planting of the 2009/10 crop in much of the Delta was delayed several weeks by abnormally high May rainfall. The delay was especially severe in Arkansas, Mississippi, and Missouri. For the week ending May 17, just 68 percent of the Arkansas rice crop had been planted, compared with a 5-year average of 90 percent. In Missouri, 57 percent of the 2009 crop was planted by May 17, well below the 5-year average of 92 percent. About 79 percent of the Mississippi crop was planted by May 17, behind the 5-year average of 94 percent.

By June 7, plantings were complete in Texas, Louisiana, and Missouri. About 97 percent of the Mississippi and Arkansas crops had been planted, 3 percentage points behind each State's 5-year average. In California, 95 percent of the crop was planted by June 7, slightly ahead of the State's 5-year average.

The late plantings in the Delta have delayed emergence. By May 31, about 80 percent of the Arkansas crop had emerged, well below the 5-year average of 95 percent. In Missouri, 79 percent of the crop had emerged by May 31, down from the 5-year average of 96 percent. About 90 percent of the Mississippi crop had emerged by May 31, about 6 percentage points behind the State's 5-year average. By June 7, emergence in all three Delta States was still 6-8 percentage points behind normal. In Texas and Louisiana, almost all of the crop had emerged by June 7, typical for both States. About 75 percent of the California crop had emerged by June 7, slightly ahead of the State's 5-year average.

For the week ending June 7, just 55 percent of the 2009 U.S. rice crop was rated in good or excellent condition, down from 72 percent one year earlier and 76 percent two years earlier. The condition of the 2009 crop is rated lower than a year earlier in all reported States except Texas.

U.S. 2009/10 Total Rice Supply Forecast Lowered 3.0 Million Cwt

Total U.S. supplies of rice in 2009/10 are projected at 265.2 million cwt, 1 percent below last month's forecast, but 5 percent larger than a year ago. In 2009/10, a larger crop and increased imports are expected to more than offset a smaller carryin.

At 23.2 million cwt, the 2009/10 carryin is 21 percent below a year earlier and the smallest since 1999/2000. Long-grain accounts for the bulk of the decline in carryin. At 13.3 million

cwt, the 2009/10 long-grain carryin is 30 percent below a year earlier and the lowest since 2004/05. The medium/short-grain carryin of 8.6 million cwt is 6 percent below a year ago and the lowest since 1999/2000.

Imports for 2009/10 were raised 1.0 million cwt to 22.0 million based on an upward revision in the 2008/09 import forecast. Long-grain imports were raised 1.0 million cwt to a record 18.0 million, up almost 13 percent from a year earlier.

U.S. 2009/10 Rice Exports Projected To Increase 3 Percent

Total use of U.S. rice in 2009/10 is projected at 229.0 million cwt, unchanged from last month's forecast or a year earlier. Exports remain forecast at 97.0 million cwt, up 3.0 million cwt from the revised 2008/09 forecast. Larger supplies, more competitive prices, and higher global trade are behind the expanded U.S. export forecast for 2009/10.

Rough-rice exports are projected at 35.0 million cwt, down 2.0 million from last month's forecast, but 6 percent larger than a year earlier.

By class, the long-grain exports remain forecast at 74.0 million cwt, up 7 percent from 2008/09. Latin America, the Middle East, Europe, Canada, and Sub-Saharan Africa are the top markets for U.S. long-grain rice. Combined medium/short-grain exports remain forecast at 23.0 million cwt, down 2.0 million from the 2008/09 revised forecast.

Total domestic and residual use in 2009/10 remains forecast at 132.0 million cwt, 3.0 million below a year earlier. The 2009/10 domestic and residual use is the second highest on record.

U.S. ending stocks for 2009/10 are projected at 36.2 million cwt, 3.0 million below last month's forecast, but 56 percent larger than the previous year. The stocks-to-useratio, calculated at 15.8 percent, is up almost 6 percentage points from the previous year, but still below the 2005/06 and 2006/07 ratios. By class, long-grain ending stocks are projected at 26.3 million cwt, down 3.0 million from last month's forecast, but almost double the previous year's ending stocks. Medium/short-grain ending stocks remain projected at 8.6 million cwt, unchanged from a year earlier. Medium/short-grain ending stocks in 2008/09 and 2009/10 are the lowest since 1998/99.

U.S. 2008/09 Medium/Short-Grain Season- Average Farm Price Raised to \$21.10-\$21.60 per Cwt

The 2009/10 season-average farm price (SAFP) remains projected at \$10.50-\$11.50 per cwt, down from the record \$15.75-\$16.25 a year earlier. The substantial decline in the SAFP in 2009/10 is primarily based on weaker global prices and larger U.S. supplies. The long-grain 2009/10 SAFP remains projected at \$9.50-\$10.50 per cwt, down from a revised \$14.55-\$15.05 a year earlier. The medium/short-grain SAFP remains projected at \$15.50-\$16.50 per cwt, down from a revised \$21.10-\$21.60 in 2008/09.

The 2008/09 all-rice SAFP was not revised this month. However, the 2008/09 longgrain SAFP was lowered 5 cents on both the high and low ends and medium/shortgrain SAFP was raised 20 cents on both ends.

Last month, USDA reported a mid-May all-rice rough-rice cash price of \$15.20 and lowered the April price to \$15.30 from a preliminary \$15.70 per cwt. By class, the long-grain mid-May cash price was reported at \$12.90 per cwt, down from a revised April cash price of \$13.10.

For medium/short-grain rice, the mid-May price was reported at \$25.60 per cwt, down 90 cents from a revised April price of \$26.50, the highest on record. The April price was raised \$2.70 from the mid-month estimate. U.S. medium/short-grain prices have risen \$7.30 since August. Δ