

# Long Grain Rough Rice Projected Well Above Year Earlier



**ECONOMIC RESEARCH SERVICE**

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The 2008/09 U.S. all-rice season-average farm price (SAFP) was raised 75 cents per hundredweight (cwt) on both the high and low ends to \$15.75-\$16.75 per cwt, the highest on record and well above a revised \$12.80 for 2007/08.

By class, 2008/09 long-grain rough-rice prices are projected at \$15.00-\$16.00 per cwt, up 70 cents on both ends and well above a revised \$12.50 a year earlier. Combined medium/short-grain prices are projected at \$19.50-\$20.50 per cwt, up \$1.50 from last month and sharply higher than a revised \$13.80 in 2007/08. The 2008/09 SAFP for both long-grain and combined medium/short-grain rice are the highest on record.

The 2007/08 all-rice SAFP was raised 20 cents from last month's forecast to \$12.80 per cwt, based on reported monthly cash prices and marketings through the end of July.

## **U.S. 2008/09 Rough-Rice Crop Projected at 206.9 Million Cwt**

The 2008/09 U.S. rough-rice crop is projected at 206.9 million cwt, up 2.0 million cwt from last month's forecast and 5 percent larger than a year ago. This month, USDA raised its harvested area estimate 45,000 acres to 2.92 million, more than 6 percent larger than a year ago. In contrast, the average yield was reduced 40 pounds per acre to 7,076 pounds, 109 pounds below last year's record.

Long-grain accounts for all of this month's upward revision in production. The 2008/09 long-grain production estimate was raised 3.3 million cwt to 157.3 million, 11 percent larger than a year earlier. In contrast, medium-grain production was lowered fractionally to 46.3 million cwt, almost 10 percent below last year. Short-grain production was lowered almost 1.0 million cwt to 3.3 million cwt, 20 percent smaller than a year ago.

Louisiana accounts for most of this month's upward revision in harvested area. Louisiana's 2008/09 area estimate was boosted 60,000 acres to 465,000, about 23 percent above a year ago. Mississippi's area estimate was also raised this month. In contrast, area estimates for California and Texas were lowered, while estimates for Arkansas and Missouri are unchanged from last month. Average yields were lowered this month for Louisiana and Missouri, but raised for California and Mississippi. Yields are unchanged this month for Arkansas and Texas.

By State, production estimates for 2008/09 were raised for Louisiana and Mississippi, but lowered for Texas, California, and Missouri. The Arkansas production estimate was unchanged from last month. Louisiana accounted for the largest share of the upward revision in production. The crop was raised 11 percent. Mississippi's crop was raised 13 percent.

## **Production in 2008/09 Projected Higher for All Reported States Except California**

Rice production is estimated to be larger than last year in all reported States except California. Louisiana accounts for the largest share of the 2008/09 increase in production. At 16.9 million cwt, rice production in Mississippi is up 20 percent from last year, also a result of expanded area. Texas rice production is estimated at 12.2 million cwt, 27 percent larger than last year's crop, a result of both expanded area and a higher yield. Production in Arkansas remains estimated at 96.8 million cwt, almost 3 percent larger than last year, with both area and yield up slightly. Missouri's production is estimated at a record 14.1 million cwt, up 15 percent from last year, mostly due to expanded area. In contrast, at 40.3 million cwt, California's 2008/09 production is 8 percent below last year, with both area and yield down.

Record field yields are projected for three southern States this year. At 7,100 pounds per acre, the Missouri field yield is 3 percent higher than a year ago and the highest on record. In Arkansas, the average yield is estimated at a record 7,200 pounds per acre, 1 percent higher than last year. The Mississippi field yield is estimated at 7,400 pounds per acre, down 1 percent from last year, but still the second-highest on record.

The Texas average field yield of 7,200 pounds per acre is 9 percent higher than last year, also the highest on record. Louisiana's field is forecast at 5,700 pounds per acre, 7 percent below the 2007/08 record. In California, the average field yield is forecast at 7,800 pounds per acre, 5 percent below a year earlier.

## **Progress and Condition of the 2008 Crop Remain Behind a Year Ago**

As of September 7, just 14 percent of the U.S. crop had been harvested, well behind 33 per-

cent last year and the U.S. 5-year average of 29 percent. Harvest is behind last year in every reported State except Texas, with the Delta sharply behind.

In Arkansas, just 5 percent of the crop was harvested by September 7, well behind 27 percent a year earlier and the State's 5-year average of 19 percent. Only 8 percent of the Mississippi crop was harvested by September 7, compared with 35 percent last year and a 5-year average of 29 percent. None of the Missouri crop was reported harvested by September 7, compared with 17 percent last year and a 5-year average of 8 percent. In Louisiana, less than half the crop was harvested by September 7, well behind 89 percent last year and a 5-year average of 83 percent. Harvest has yet to begin in California, slightly behind last year and the State's 5-year average of 4 percent.

Only in Texas, which had already harvested most of its crop before Gustav made landfall, is harvest ahead of last year. At 90 percent complete, the pace of the Texas harvest is slightly ahead of both last year and the State's 5-year average.

As of September 7, the condition of the 2008/09 U.S. crop was rated lower than a year earlier. Louisiana reported the biggest drop in crop conditions from last year. For the week ending September 7, just 33 percent of the Louisiana crop was rated in good or excellent condition, down from 56 percent a year ago. In fact, nearly 28 percent of the crop was rated in poor or very poor condition. The State received excessive wind and rain from Hurricane Gustav. In Arkansas, just 59 percent of the crop was rated in good or excellent condition, down from 72 percent a year ago. About 85 percent of the Mississippi crop was rated good or excellent, 5 percentage points below last year. Just 64 percent of the California crop was rated in good or excellent condition, well below 85 percent last year.

In contrast, crop conditions were reported higher than a year earlier in the remaining States.

## **Total Supplies for 2008/09 Are Projected at 261.9 Million Cwt**

Total U.S. supplies of all-rice in 2008/09 are projected at 261.9 million cwt, up 3.4 million cwt from last month's forecast, a result of both a larger crop and a higher import forecast. Total supplies are 1.1 million cwt above a year ago.

The 2008/09 carryin is estimated at 29.4 million cwt, down fractionally from last month's forecast and 25 percent below a year ago. Long-grain carryin is estimated at 19.0 million cwt, up 2 percent from last month, but 33 percent below a year earlier. Medium/short-grain carryin is estimated at 9.1 million cwt, down 10 percent from last month and 9 percent larger than a year ago.

The 2008/09 import forecast was raised 1.5 million cwt to a record 25.5 million cwt, 6 percent larger than last year's revised estimate. The upward revision is based on a higher 2007/08 import forecast and recent trends.

## **U.S. 2008/09 All-Rice Exports Remain Forecast at 110.0 Million Cwt**

Total use of U.S. rice in 2008/09 remains projected at 236.0 million cwt, up 3.4 million cwt from last year. Exports remain projected at 110.0 million cwt, up 2.1 million cwt from last year's revised forecast.

By class, the long-grain export forecast was raised 2.0 million cwt to 86.5 million cwt, 6 percent larger than a year earlier. In contrast, the medium/short-grain export forecast was lowered 2.0 million cwt to 23.5 million, 10 percent below last year.

Total domestic disappearance – including the residual that accounts for losses in processing, marketing, and transportation – remains projected at a record 126.0 million cwt, an increase of 1 percent from a year earlier. U.S. ending stocks for 2008/09 are projected at 25.9 million cwt, up 3.4 million cwt from last month's forecast, but still 12 percent below the previous year. The stocks-to-use ratio, calculated at 11.0 percent, is 1.7 percentage points below a year earlier and the lowest since 1998/99.

By class, long-grain ending stocks are projected at 17.9 million cwt, up 3.1 million cwt from last month's forecast, but still 6 percent below a year earlier. Medium/short-grain ending stocks are projected at 6.6 million cwt, down 4 percent from last month's forecast and 27 percent below a year earlier. The medium/short-grain ending stocks-to-use ratio is calculated at 11.4 percent, more than 3 percentage points below a year earlier. Both medium/short-grain ending stocks and the stocks-to-use ratio are the lowest since at least 1982/83.

There were several revisions to the 2007/08 rough-rice balance sheet this month. On the supply side, imports were raised 0.4 million cwt to 23.9 million, the highest to date. On the use side, total exports were raised almost 2.0 million cwt to 107.9 million. The 2008/09 ending stocks estimate was lowered fractionally to 29.4 million cwt, with medium/short-grain accounting for all of the decline. The long-grain ending stocks estimate was raised slightly. The stocks revisions were calculated from data reported in the August Rice Stocks. Δ