

# Long Grain Rice Production Largest On Record



**ECONOMIC RESEARCH SERVICE**

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Market Outlook on Rice is sponsored by RiceTec, Inc.

The 2010/11 U.S. rice production forecast was lowered 5 percent from last month to 242.3 million cwt, still 10 percent larger than a year earlier and the largest on record.

By class, long-grain 2010/11 production is projected at 182.0 million cwt, down 9.8 million cwt from last month's forecast, but 19 percent larger than a year earlier and the highest on record. Combined medium/short-grain production is projected at 60.3 million cwt, down 3.25 million cwt from last month's forecast and 10 percent below the 2009/10 crop.

Plantings are estimated larger in 2010/11 in all reported States, with record plantings estimated for Arkansas and Missouri. Arkansas' plantings of 1.8 million acres are up almost 21 percent from last year and account for 60 percent of the 2010/11 U.S. area increase of 507,000 acres.

This month, USDA lowered its 2010/11 yield forecasts for all three Delta States – Arkansas, Mississippi, and Missouri. The region experienced record heat this summer that adversely impacted yields.

In contrast, the California average yield was raised 100 pounds per acre this month to 7,900 pounds, still 8 percent below last year and the smallest since 2006/07. Gulf Coast yields are unchanged from last month's forecasts.

This month, crop forecasts were lowered for all rice-growing States in the Delta, a result of the downward revisions in yield.

## **Production Projected Higher in 2010**

### **In All States Except California**

All reported States are projected to harvest larger crops in 2010/11 except California, with record crops projected for Arkansas, Louisiana, Mississippi, and Missouri.

The progress of the 2010/11 U.S. rice crop continues to be ahead of normal and last year. For the week ending October 3, the U.S. harvest was reported 78 percent complete, 18 percentage points ahead of last year and 6 percentage points ahead of the U.S. 5-year average.

### **U.S. 2010/11 Total Rice Supply Forecast Lowered 4 Percent to 298.5 Million Cwt**

Total U.S. rice supplies in 2010/11 are projected at 298.5 million cwt, down 4 percent from last month's forecast, but 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 are forecast at a record 222.1 million cwt, down 4 percent from last month's forecast, but 17 percent larger than a year earlier. Combined medium/shortgrain total supply is forecast at 74.9 million cwt, down 4 percent from last month's forecast and 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. The medium/short-grain carryin remains estimated at 12.1 million cwt, 50 percent larger than last

year and the largest since 2005/06.

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 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. Basmati rice from India and Pakistan accounts for most of the remaining U.S. long-grain rice imports. Medium/short-grain imports remain projected at 2.5 million cwt, unchanged from 2009/10, but well below the 2006/07 record of 6.3 million.

### **U.S. 2010/11 Rough-Rice Export Forecast Raised 1.0 Million Cwt to 45.0 Million Cwt**

Total use of U.S. rice in 2010/11 remains projected at a record 246.0 million cwt, almost 6 percent above a year earlier. Long-grain total use remains projected at a record 181.0 million cwt, 9 percent larger than a year earlier. Medium/short-grain total use remains forecast at 65.0 million cwt, more than 2 percent below last year.

Total domestic and residual use of all-rice remains projected at 127.0 million cwt for 2010/11, almost 4 percent above a year earlier and the highest on record.

Total exports of U.S. rice in 2010/11 remain projected at 119.0 million cwt, 8 percent above a year earlier. By type, U.S. rough-rice exports are projected at a record 45.0 million cwt, up 1.0 million cwt from last month's forecast and 10 percent above a year earlier.

By class, U.S. long-grain exports remain projected at 83.0 million cwt, 10 percent larger than a year earlier. Sub-Saharan Africa and Latin America account for much of the expected increase in U.S. long-grain exports in 2010/11. Combined medium/short-grain exports remain projected at a record 36.0 million cwt, 1.2 million cwt larger than last year. North Africa and the Eastern Mediterranean account for most of the expected increase in U.S. medium/short-grain exports in 2010/11.

### **U.S. 2010/11 Ending Stock Forecast Lowered 20 Percent to 52.5 Million Cwt**

U.S. ending stocks in 2010/11 are projected at 52.5 million cwt, down 20 percent from last month's forecast, but up 43 percent from a year earlier and the largest ending stocks since 1985/86.

By class, the 2010/11 long-grain carryout was lowered 9.8 million cwt to 41.1 million cwt, 78 percent larger than a year earlier and the highest since 1985/86. The long-grain stocks-to-use ratio is calculated at 22.7 percent, also the highest since 1985/86.

### **Both Long- and Medium/short-grain 2010/11 U.S. Season-Average Price Forecasts Raised**

The 2010/11 season-average farm price (SAFP) for U.S. long-grain rice was raised \$2.00 per cwt on both ends to \$10.50-\$11.50 per cwt, still below \$12.80 in 2009/10.

The combined medium/short-grain 2010/11 U.S. SAFP was raised \$1.30 on both ends to \$17.30-\$18.30 per cwt.

Last month, NASS reported a mid-September 2010 cash price for long-grain rice of \$10.40 per cwt, 10 cents above the revised August price. The August price was lowered 50 cents from a preliminary estimate to \$10.30 per cwt. For medium/shortgrain rice, the mid-

September NASS price was reported at \$17.60 per cwt, up \$1.50 from the revised August price. The August medium/short-grain rough-rice cash price was lowered \$1.10 per cwt from the mid-month estimate to \$16.20 per cwt. Δ



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