

# Rice Production And Acreage Dip Past Three Years



**ECONOMIC RESEARCH SERVICE**

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The first forecast for the 2011/12 U.S. rice crop pegs production at 211.0 million cwt, down 13 percent from a year earlier. The smaller crop is the result of a 17-percent decline in planted area to 3.02 million acres. Both production and area are the smallest since 2008/09.

The 2011/12 field yield is projected at 7,033 pounds per acre, up nearly 5 percent from last year, but still well below the 2007/08 record of 7,219 pounds.

By class, the U.S. 2011/12 long-grain crop is projected at 144.5 million cwt, down 21 percent from a year earlier and the smallest since 2007/08. In contrast, combined medium/short-grain production is projected at 66.5 million cwt, an increase of 11 percent from 2010/11 and the third highest on record. In contrast to long-grain plantings, U.S. growers in March indicated they would expand medium/short-grain acreage 7 percent, primarily due to continued high prices. California produces more than 70 percent of all U.S. medium- and short-grain rice.

## **Severe Flooding Along the Mississippi River**

### **Delays Progress of the 2011/12 U.S. Rice Crop**

As of May 8, just 57 percent of the U.S. 2011/12 rice crop was reported planted, well below 83 percent last year and behind the U.S. 5-year average of 76 percent. The lack of crop progress is largely due to severe storms and heavy rains in late April that have resulted in near-record flooding of much of the lower Mississippi River Delta.

By May 8, just 45 percent of the U.S. 2011/12 rice crop was reported to have emerged, compared with 67 percent last year and the U.S. 5-year average of 57 percent.

### **Total U.S. Rice Supplies in 2011/12 Are Projected To Decline 4 Percent**

Total U.S. rice supplies in 2011/12 are projected at 284.6 million cwt, 4 percent below the year earlier record. In 2011/12, a much smaller crop is projected to more than offset a big increase in carryin and slightly larger imports.

Beginning stocks of all-rice are forecast at 55.6 million cwt, up 52 percent from a year earlier and the largest since 1986/87. The 2011/12 long-grain carryin is forecast at 43.8 million cwt, up 90 percent from a year earlier and also the largest since 1986/87.

Total U.S. rice imports for 2011/12 are forecast at 18.0 million cwt, 3 percent above the previous year's revised forecast and the first increase since 2007/08. Despite the projected increase, U.S. imports are still well below the 2007/08 record of 23.9 million cwt. Long-grain imports are projected at 15.5 million cwt, up 3 percent from a year earlier. 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 – also a premium aromatic – accounts for most of the remaining U.S. long-grain imports. Medium/short-grain imports are projected at 2.5 million cwt, unchanged from last year, but well below the 2006/07 record of 6.3 million cwt. Specialty

rice from Thailand, classified by the U.S. Census Bureau as medium- and short-grain rice, accounts for the bulk of current U.S. medium- and short-grain imports. Arborio rice from Italy accounts for most of the remainder.

### **U.S. 2011/12 All-Rice Exports Are Projected To Decrease 5 Percent**

Total use of U.S. rice in 2011/12 is projected at 236.0 million cwt, down 2 percent from the year-earlier record. By class, long-grain total use is projected at 171.0 million cwt, down 4 percent from the year-earlier near-record. In contrast, medium/short-grain total use is forecast at 65.0 million cwt, up almost 2 percent from a year earlier.

Total domestic and residual use of all-rice is projected at a near-record 127.0 million cwt for 2011/12, unchanged from a year earlier. By class, long-grain domestic disappearance is projected at 96.0 million cwt, down 3 percent from the year earlier near-record. Combined medium- and short-grain domestic disappearance is projected at 31.0 million cwt, up 11 percent from 2010/11.

Total exports of U.S. rice in 2011/12 are projected at 109.0 million cwt, 5 percent below the revised estimate for 2010/11. By type, U.S. rough-rice exports are projected at 40.0 million cwt, up 1.0 million from a year earlier.

By class, U.S. long-grain exports are projected at 75.0 million cwt, nearly 5 percent below the revised year-earlier estimate.

### **U.S. 2011/12 Ending Stocks Are Projected To Decline 13 Percent to 48.6 Million Cwt**

U.S. ending stocks of all-rice in 2011/12 are projected at 48.6 million cwt, down 7.0 million cwt from a year earlier. The stocks-to-use ratio is calculated at 20.6 percent, down from 23.0 percent in 2010/11.

By class, the 2011/12 U.S. long-grain carryout is projected at 32.8 million cwt, down 25 percent from a year earlier, but still the second highest since 1985/86. The long-grain stocks-to-use ratio is calculated at 19.2 percent, down from 24.7 percent in 2010/11.

The medium/short-grain carryout is projected at 14.4 million cwt, up 39 percent from a year earlier. The medium/short-grain stocks-to-use ratio is calculated at 22.1 percent, up from 16.2 percent in 2010/11 and the highest since 2003/04.

### **Little Change Projected for U.S. Long-Grain Rough-Rice Prices in 2011/12**

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$11.00-\$12.00 per cwt, compared with a revised \$11.00-\$11.30 this year. The mid-point of the 2010/11 long-grain SAFP was lowered 15 cents from last month and the range narrowed to plus or minus 15 cents from the mid-point.

The combined medium- and short-grain 2011/12 U.S. SAFP is projected at \$15.00-\$16.00 per cwt, down from a revised 2010/11 SAFP range of \$16.85-\$17.15. The mid-point of the 2010/11 SAFP is unchanged from last month; however the range was narrowed to plus or minus 15 cents.

Last month, NASS reported a mid-April 2011 cash price for long-grain rice of \$12.00 per cwt, up 30 cents from the revised March price. The March price was lowered 60 cents from the mid-month estimate to \$11.70. For medium/short-grain rice, the mid-April NASS price was reported at \$20.20 per cwt, up \$2.00 per cwt from the revised March price and the highest since September 2009. The March medium/short-grain rough-rice cash price was lowered \$2.10 cents from the mid-month estimate to \$18.20 per cwt. Δ