

Rice Yields Are Reported Higher This Year



ECONOMIC RESEARCH SERVICE

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The 2009/10 U.S. rough-rice crop is forecast at 211.2 million cwt, fractionally above last month's forecast and 4 percent larger than last year. The average field yield is forecast at 7,039 pounds per acre, up 6 pounds from last month's forecast and 193 pounds above the 2008/09 yield.

By class, long-grain production is forecast at 150.4 million cwt, down fractionally from last month and 2 percent smaller than a year earlier. Nearly all long-grain rice is grown in the South. Combined medium/short-grain production is forecast at 60.8 million cwt, up more than 1 percent from last month and nearly 21 percent larger than the 2008/09 crop.

On an annual basis, plantings are estimated to be higher in California, Arkansas, and Mississippi. Plantings are estimated lower than last year in Louisiana, Missouri, and Texas. At 1.43 million acres, rice plantings in Arkansas are up 2 percent from a year earlier. California's plantings – almost exclusively medium/short-grain – are estimated at 562,000 acres, up 8 percent from last year and the highest since a record 595,000 acres were planted in 2004/05. U.S. medium-grain prices were record or near-record high all spring and are still almost double prices for U.S. long-grain. At 240,000 acres, Mississippi's plantings are 4 percent higher than last year. In contrast, Louisiana's rice area is estimated at 420,000 acres, an 11-percent reduction from last year. Missouri's plantings of 195,000 acres are down more than 2 percent from last year. Rice plantings in Texas are estimated at 170,000 acres, down 3 percent from 2008/09.

Yields are forecast higher this year in all reporting States except California and Texas. In 2008/09, two late-season hurricanes struck much of the southern rice growing areas, reducing yields in all States in the region except Texas. Most of the Delta experienced late planting in 2008/09 that hindered yields as well. At 6,850 pounds per acre, the Arkansas yield is up 3 percent from last year. In Louisiana, yields are forecast at a record 6,300 pounds per acre, 8 percent higher than in 2008/09. Mississippi's yields are projected at a near-record 7,100 pounds per acre, up nearly 4 percent from last year. Missouri's forecast yield of 6,800 pounds per acre is up 3 percent from last year.

In contrast, the average yield in Texas is forecast at 6,800 pounds per acre, down 1 percent from last year. California's yield is forecast at 8,200 pounds per acre, also down 1 percent from last year.

Arkansas, California, and Mississippi account for nearly all of the projected increase in U.S. rice production this year. At 97.6 million cwt.

In contrast, rice production in Texas is projected to drop 4 percent to 11.4 million cwt, a result of both smaller plantings and a lower yield. Despite a record yield, Louisiana's rice production is projected to drop 3 percent to 26.1 million cwt. Missouri's production is projected at 13.2 million cwt, virtually unchanged from last year.

Harvest is underway on the Gulf Coast and typically begins in the lower Delta later this month. For the week ending August 9, just 56 percent of the U.S. crop had headed, well below the U.S. 5-year average of 71 percent.

U.S. 2009/10 Total Rice Supply Forecast Raised Slightly

to 254.9 Million cwt

Total U.S. supplies of rice in 2009/10 are projected at 254.9 million cwt, up 1.2 million from last month's forecast and 1 percent larger than a year ago.

Imports remain projected at 21.0 million cwt, up more than 10 percent from 2008/09 and the second highest on record. Long-grain imports remain forecast at a record 18.0 million cwt, up 9 percent from a year earlier. Aromatic rice from Asia accounts for almost all U.S. long-grain imports.

U.S. 2009/10 Rough-Rice Export Forecast Raised 1.0 Million cwt to 35.0 Million Cwt

Total use of U.S. rice in 2009/10 remains projected at 231.0 million cwt, almost 1 percent larger than a year earlier. U.S. exports remain projected at 99.0 million cwt, up 2 percent from the year-earlier revised forecast. The 2009/10 rough-rice export forecast was raised 1.0 million cwt this month to 35.0 million, up 1.0 million from last year. Mexico and Central America are the largest buyers of U.S. rough-rice.

By class, the long-grain exports are forecast at 71.0 million cwt, down 2.0 million from last month, but up 2.5 million 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 are forecast at 28.0 million cwt, up 2.0 million from last month, but down 0.5 million from the 2008/09 revised record.

U.S. ending stocks for 2009/10 are projected at 23.9 million cwt, up 5 percent from last month's forecast and the previous year. The stocks-to-use ratio, calculated at 10.3 percent, is slightly above the previous year. By class, long-grain ending stocks are projected at 14.1 million cwt, up 20 percent from last month's forecast, but still 16 percent below a year earlier. Medium/short-grain ending stocks are projected at 8.4 million cwt, down 12 percent from last month's forecast, but 84 percent larger than a year earlier.

There were several minor revisions this month to the 2008/09 use forecasts. By type, milled rice accounted for all of the reduction. By class, medium/short-grain exports were increased 1.5 million tons to a record 28.5 million tons. Reported medium/short-grain shipments to Japan, Oceania, and Jordan were especially strong in 2008/09. This increase was more than offset by a 2.5-million ton reduction in the long-grain export forecast to 68.5 million tons. The smaller all-rice export forecast raised ending stocks 1.0 million cwt to 22.7 million.

U.S. 2009/10 Season-Average Farm Price Raised to \$13.65-\$14.65 per cwt

The 2009/10 season-average farm price (SAFP) is projected at \$13.65-\$14.65 per cwt, up 40 cents on both ends from the July forecast.

The long-grain 2009/10 SAFP remains projected at \$12.00-\$13.00 per cwt, down from a revised \$14.90 last year. The medium/short-grain 2009/10 SAFP remains projected at \$19.50-\$20.50 per cwt, up from a revised \$21.30 last year.

Last month, USDA reported a mid-July all-rice rough-rice cash price of \$14.10 per cwt and lowered the June price 10 cents from the mid month estimate to \$14.70, the lowest since April 2008. By class, the long-grain mid-July cash price was reported at \$12.70 per cwt, down from a revised June cash price of \$12.80. The June long-grain price was raised 10 cents from the mid month estimate. For medium/short-grain rice, the mid-July price was reported at \$25.00 per cwt, down 60 cents from the revised June price. The June medium/short-grain price was lowered \$2.70 from the mid month estimate. Despite the recent decline, U.S. medium/short-grain prices are up almost \$7.00 from the start of the market year. △



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