

# Severe Flooding Results In Lower Rice Acreage Estimate



**ECONOMIC RESEARCH SERVICE**  
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The 2011/12 production forecast was lowered 11.5 million cwt to 199.5 million cwt based on a lower area estimate. At 2.850 million acres, rice plantings are almost 6 percent below the previous estimate and 22 percent below a year earlier. These are the smallest U.S. rice plantings since 2007/08.

This month's downward revision in area was based on severe flooding in much of the Mississippi River Delta, especially in Arkansas and Missouri.

Harvested area is estimated at 2.834 million acres, down 166,000 acres from the previous forecast. Long-grain, grown almost exclusively in the South, was impacted the most by the flooding. The bulk of the U.S. medium- and short-grain crop is grown in California. The harvested area estimate is based on the average harvested-to-planted ratios by class of rice for 2006/07-2010/11.

The average yield is forecast at 7,040 pounds per acre, up 7 pounds from last month's forecast and nearly 5 percent above a year earlier.

By class, the U.S. 2011/12 long-grain crop is projected at 134.0 million cwt, down 10.5 million cwt from the previous forecast and 27 percent smaller than a year earlier. This is the smallest U.S. long-grain crop since 2000/01.

## **Progress and Condition of the 2011/12 U.S. Rice Crop Are Behind Last Year**

As of June 5, planting of the U.S. 2011/12 rice crop was 99 percent complete, with plantings complete in all States except Arkansas and California. In Arkansas, 98 percent of the crop was reported planted by June 5, just 1 percentage point behind the State's 5-year average. In contrast, growers in California indicated plantings were 97 percent complete, 5 percentage points ahead of the State's 5-year average. Since late April, plantings had been well behind normal in both Arkansas and Missouri due to severe flooding along the Mississippi River and its tributaries. Some rice growing areas in Louisiana and Mississippi were impacted by the flooding as well.

Overall, U.S. crop conditions improved for the week ending June 5. However, conditions remain well below a year earlier in most States.

## **Total U.S. Rice Supplies in 2011/12 Are Projected To Decline 8 Percent**

Total U.S. rice supplies in 2011/12 are projected at 274.1 million cwt, almost 4 percent below last month's forecast and 8 percent below the year earlier record. Both the production and carryin forecasts were revised this month.

Beginning stocks of all-rice are forecast at 56.6 million cwt, up 1.0 million cwt from last month and 55 percent larger than a year earlier.

Total U.S. rice imports for 2011/12 remain forecast at 18.0 million cwt, 3 percent above the previous year's forecast and the first increase since 2007/08.

Medium/short-grain imports remain projected at 2.5 million cwt, unchanged from last year, but well below the 2006/07 record of 6.3 million cwt.

## **U.S. 2011/12 Export Forecast Lowered to 106.0 Million Cwt**

Total use of U.S. rice in 2011/12 is projected

at 232.0 million cwt, down 4.0 million cwt from last month's forecast and almost 4 percent below the year-earlier record. Forecasts for both domestic and residual use and exports were lowered this month.

Total domestic and residual use of all-rice is projected at 126.0 million cwt for 2011/12, down 1.0 million cwt from last month and a year earlier. This month's downward revision was based on expectations that a smaller crop would result in fewer unreported losses in processing, transporting, and marketing.

Total exports of U.S. rice in 2011/12 are projected at 106.0 million cwt, down 3.0 million cwt from last month's forecast and 7 percent below the revised estimate for 2010/11.

U.S. milled rice exports (combined milled and brown rice exports on a rough basis) are projected at 67.0 million cwt, down 2.0 million from the previous forecast and 11 percent smaller than a year earlier. The U.S. price difference over Asian competitors is expected to be higher in 2011/12, a major factor behind the expected decline in U.S. exports.

## **U.S. 2011/12 Ending Stocks Are Projected To Decline 26 Percent to 42.1 Million Cwt**

U.S. ending stocks of all-rice in 2011/12 are projected at 42.1 million cwt, down 6.5 million cwt from last month's forecast and 26 percent below a year earlier. The stocks-to-use ratio is calculated at 18.1 percent, down from 23.5 percent in 2010/11.

The medium/short-grain carryout is projected at 12.9 million cwt, down 1.5 million cwt from the previous forecast, but up 30 percent from a year earlier.

## **U.S. 2010/11 Total Export Forecast Lowered;**

### **Ending Stocks Forecast Increased**

There were revisions to the U.S. 2010/11 export forecasts this month. The all-rice export forecast was lowered 1.0 million cwt to 113.5 million cwt based on shipment and sales data through late May and expectations regarding shipments the remainder of the market year.

Overall, these revisions resulted in a 1.0-million cwt increase in the all-rice ending stocks forecast to 56.6 million. Long-grain stocks were raised 1.5 million cwt, while combined medium- and short-grain ending stocks lowered 0.5 million cwt.

## **U.S. 2011/12 Long-Grain Season-Average Farm Price Raised**

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$11.30-\$12.30 per cwt, up 30 cents on both the high and low ends from last month. The price is above the revised \$11.00-\$11.20 projected for this year. The mid-point of the 2010/11 long-grain SAFP was lowered 5 cents from last month and the range narrowed to plus or minus 10 cents from the mid-point.

The combined medium- and short-grain 2011/12 U.S. SAFP remains projected at \$15.00-\$16.00 per cwt, down from a revised 2010/11 SAFP range of \$16.90-\$17.10. The mid-point of the 2010/11 SAFP is unchanged from last month; however, the range was narrowed to plus or minus 10 cents from the mid-point.

Last month, NASS reported a mid-May 2011 cash price for long-grain rice of \$11.50 per cwt, up 10 cents from the revised April price. The April price was lowered 60 cents from the mid-month estimate to \$11.40. For combined medium- and short-grain rice, the mid-May NASS price was reported at \$19.70 per cwt, up \$1.40 per cwt from the revised April price and the highest since September 2009. The April medium- and short-grain rough-rice cash price was lowered \$1.90 cents from the mid-month estimate to \$18.30 per cwt. Δ