

# Smallest U.S. Rice Crop Expected Since 1999



**ECONOMIC RESEARCH SERVICE**

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The 2011/12 U.S. rice crop estimate was lowered 3.1 million cwt to 185.0 million cwt, down 24 percent from the year-earlier record and the smallest U.S. rice crop since 1998/99.

Planted area for all rice is estimated at 2.69 million acres, 4,000 acres below the previous forecast and 26 percent below a year earlier.

By class, long-grain production is estimated at 116.4 million, down 1 percent from last month's forecast and 37 percent below a year earlier. This is the smallest U.S. long-grain crop since 1996/97. The average long-grain yield of 6,691 pounds per acre is 78 pounds below last month's forecast, but 205 pounds above a year earlier.

Combined medium- and short-grain production is estimated at 68.6 million cwt, down 3 percent from last month's forecast, but 15 percent higher than a year earlier and the largest on record.

On an annual basis, rice plantings declined in 2011/12 in all reporting States except California, where area increased slightly. In Arkansas, total rice plantings dropped 33 percent in 2011/12 to 1.2 million acres, the smallest since 1989/90. Missouri's plantings declined nearly 44 percent to 143,000 acres, the smallest since 1997/98. Rice plantings in Mississippi dropped 48 percent from a year earlier to 160,000 acres, the smallest since 1977/78. The Delta rice area experienced severe flooding early in the 2011/12 season that both prevented and delayed plantings.

In Louisiana, rice plantings dropped 22 percent to 423,000 acres. Salt water intrusion contributed to the decline in plantings in Louisiana. Texas plantings of 183,000 acres are down almost 4 percent from a year earlier. In contrast to the South, plantings in California increased 5 percent to 585,000 acres, one of the highest on record for the State. Unlike long-grain prices which declined in 2010/11, U.S. medium- and short-grain rough-rice prices remained high in 2010/11 – a factor behind the expansion in California plantings and increased medium- and short-grain plantings in the South.

Yields are projected higher in 2011/12 than a year earlier in all reported States except Mississippi. In 2010/11, weather problems in both the south and California led to below-trend yields.

Production declined in 2011/12 in all reported States except California. The smaller crops were due to reduced plantings.

## **Total U.S. Rice Supplies in 2011/12 Projected To Decline 15 Percent**

The total U.S. rice supply for 2011/12 is forecast at 252.5 million cwt, 1 percent below last month's forecast and 15 percent below the year-earlier record.

Beginning stocks of all-rice remain calculated at 48.5 million cwt, 33 percent larger than a year earlier and the largest since 1987/88. The 2011/12 long-grain carryin remains calculated at 35.6 million cwt, 55 percent larger than a year earlier.

Total U.S. rice imports for 2011/12 remain forecast at 19.0 million cwt, almost 4 percent above a year earlier, but well below the 2007/08 record of 23.9 million cwt.

## **U.S. 2011/12 Export and Domestic and Residual Use Forecasts Lowered**

Total use of U.S. rice in 2011/12 is projected at 214.0 million cwt, down 4.0 million cwt from last month's forecast and 14 percent below the year-earlier record.

Total domestic and residual use of all-rice is projected at 124.0 million cwt for 2011/12, 3.0 million cwt below last month's forecast and 10 percent smaller than the year-earlier record.

Total exports of U.S. rice in 2011/12 are projected at 90.0 million cwt, down 1.0 million from last year and more than 19 percent below 2010/11.

U.S. milled rice exports (combined milled and brown rice exports on a rough basis) remain projected at 57.0 million cwt, 26 percent smaller than a year earlier and the smallest U.S. milled-rice exports since 1975/76. Africa and the Middle East account for the bulk of the expected decline in U.S. milled-rice exports in 2011/12.

By class, U.S. long-grain exports are projected at 59.0 million cwt, 1.0 million cwt below last month and 24 percent below a year earlier. These will be the smallest U.S. long-grain exports since 1996/97.

U.S. ending stocks of all-rice in 2011/12 are projected at 38.5 million cwt, up 2.5 percent from last month's forecast, but 21 percent below a year earlier. The stocks-to-use ratio is calculated at 18.0 percent, down from 19.4 percent in 2010/11. By class, the 2011/12 U.S. long-grain carryout is projected at 20.6 million cwt, up 2.9 million cwt from last month's calculation, but 42 percent below a year earlier.

The medium/short-grain carryout is projected at 15.2 million cwt, down 2.0 million cwt from last month's forecast, but up 50 percent from a year earlier and the largest medium- and short-grain carryout since 2000/01. Ending stocks of this size are expected to pressure U.S. medium- and short-grain prices downward all year. The year-to-year increase is primarily due to much larger supplies and only a modest expansion in use. The medium/short-grain stocks-to-use ratio is calculated at 23.1 percent, up substantially from 16.1 percent in 2010/11.

## **U.S. Season-Average Price Forecast for Medium- and Short-Grain Rice Lowered to \$15.00-\$16.00 per Cwt**

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice remains projected at \$13.50-\$14.50 per cwt, well above the \$11.10 estimated for 2010/11.

The combined medium- and short-grain 2011/12 U.S. SAFP is projected at \$15.00-\$16.00 per cwt, down 50 cents on both the high and low end from last month's forecast. The downward revision was based on monthly reported cash prices from NASS and expectations regarding prices the remainder of the market year. The midpoint is \$2.90 below the 2010/11 SAFP of \$18.40 per cwt. In 2011/12, U.S. medium- and short-grain prices are facing pressure from much larger U.S. supplies and increased competition from Australia and Egypt in the global rice market.

In late December, NASS reported a mid-December U.S. long-grain rough-rice price of \$14.00 per cwt, unchanged from a revised November estimate. The November price was raised 20 cents from the mid-month estimate to \$14.00. For combined medium- and short-grain rice, the mid-December NASS price was reported at \$16.90 per cwt, up \$1.10 from the revised November price. The November medium- and short-grain rough-rice cash price was lowered \$1.10 from the mid-month estimate to \$15.80 per cwt. Δ

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