

Total U.S. Rice Supplies Projected Down This Year



ECONOMIC RESEARCH SERVICE

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There were no U.S. supply-side revisions this month. The total 2011/12 U.S. rice supply remains forecast at 252.5 million cwt, 15 percent below the year-earlier record. In 2011/12, a much smaller crop has more than offset a larger carryin and higher expected imports.

The 2011/12 U.S. rice crop remains estimated at 185.0 million cwt, down 24 percent from the year-earlier record and the smallest since 1998/99. Production declined in 2011/12 in all reported States except California. By class, long-grain production is estimated at 116.4 million, a 37-percent decline from a year earlier and the smallest U.S. long-grain crop since 1996/97. Combined medium- and short-grain production is estimated at 68.6 million cwt, 15 percent higher than a year earlier and the largest on record.

Beginning stocks of all-rice remain estimated 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 estimated at 35.6 million cwt, 55 percent larger than a year earlier. In contrast, the medium/short-grain carryin is calculated at 10.1 million cwt, 16 percent below a year earlier. Beginning stocks of brokens are calculated at 2.7 million cwt, a 91-percent increase from 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. Long-grain imports remain projected at 16.5 million cwt, up 4 percent from 2010/11. Thailand supplies more than 60 percent of U.S. long-grain imports, with its premium jasmine rice accounting for nearly all of its shipments to the United States. India is the second largest U.S. supplier, accounting for 15 percent of U.S. long-grain rice imports.

U.S. medium- and short-grain imports remain projected at 2.5 million cwt, virtually unchanged from 2010/11.

This month, the U.S. 2011/12 average milling rate was lowered to 70.00 percent from a preliminary 70.75 percent based on August-December milling data reported by the Rice Millers Association. The lower milling rate implies more rough-rice is needed to produce a given quantity of milled rice for export or domestic markets. This is the first objective estimate of the 2011/12 average milling rate based on actual milling data.

U.S. 2011/12 Export Forecast Lowered to 89.0 Million Cwt

Total use of U.S. rice in 2011/12 is projected at 213.0 million cwt, down 1.0 million cwt from last month's forecast and 15 percent below the year-earlier record. By class, long-grain total use is projected at 147.0 million cwt, 1.0 million cwt below last month and 21 percent smaller than the year-earlier record. In contrast, medium/short-grain total use remains forecast at a near-record 66.0 million cwt, 5 percent above a year earlier.

Total domestic and residual use of all-rice in

2011/12 remains projected at 124.0 million cwt, down 10 percent from the year-earlier record. Combined medium- and short-grain domestic disappearance remains projected at 35.0 million cwt, an increase of 19 percent from 2010/11.

Total exports of U.S. rice in 2011/12 are projected at 89.0 million cwt, down 1.0 million cwt from last month's forecast and 26 percent below 2010/11.

U.S. long-grain exports are projected at 58.0 million cwt, 1.0 million cwt below last month's forecast and 26 percent below a year earlier. These are the smallest U.S. long-grain exports since 1996/97. Sub-Saharan Africa, the Middle East, Central America, and South America account for most of the expected decline in U.S. long-grain exports in 2011/12. The year-to-year decline is mostly a result of greater competition from other suppliers and, in some import markets, larger domestic crops.

Combined medium- and short-grain exports remain projected at 31.0 million cwt, 8 percent below a year earlier. The United States is facing much stronger competition from both Australia and Egypt in the Pacific and Middle East than it did a year earlier.

By type, U.S. rough-rice exports are projected at 32.0 million cwt, down 1.0 million cwt from last month and 8 percent below a year earlier, with Central and South America accounting for most of the year-to-year decline.

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.

U.S. ending stocks of all-rice in 2011/12 are projected at 39.5 million cwt, up 1.0 million cwt from last month's forecast but 19 percent below a year earlier. The stocks-to-use ratio is calculated at 18.5 percent, down from 19.4 percent in 2010/11.

The medium/short-grain carryout is projected at 15.2 million cwt, up 50 percent from a year earlier and the largest medium- and short-grain carryout since 2000/01.

U.S. Season-Average Price Forecast for Long-Grain Rice Lowered to \$13.40-\$14.00 Cwt

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$13.40-\$14.00 per cwt, down 10 cents on the low-end and 50 cents on the high-end from last month's forecast.

The combined medium- and short-grain 2011/12 U.S. SAFP is projected at \$15.20-\$15.80 per cwt, up 20 cents on the low end and down 20 cents on the high end from last month's forecast. The midpoint of \$15.50 is unchanged from last month, but is \$3.30 below the revised 2010/11 SAFP of \$18.80 per cwt.

In late January, NASS reported a mid-January U.S. long-grain rough-rice price of \$14.00 per cwt, up 20 cents from a revised December estimate. The December price was lowered 60 cents from the mid-month estimate to \$13.80. For combined medium- and short-grain rice, the mid-January NASS price was reported at \$15.30 per cwt, up 10 cents from the revised December price. The December medium- and short-grain rough-rice cash price was lowered \$1.70 from the mid-month estimate to \$15.20 per cwt. The full-month medium- and short-grain rough-rice price has declined every month since August, with the December price the lowest since July 2008. △



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