

Total U.S. Supply Forecast Lowered for 2012/13



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Reduced 2011/12 ending stocks forecast resulted in a 4.5-million cwt reduction in the 2012/13 U.S. carryin to 29.5 million cwt, 39 percent below a year earlier and the smallest since 2004/05.

The 2012/13 total U.S. rice crop remains forecast at 183.0 million cwt, down 1 percent from a year earlier and the smallest since 1997/98. Combined medium- and short-grain production remains projected at 55.5 million cwt, 19 percent smaller than a year earlier and the smallest since 2008/09. Long-grain rice production remains projected at 127.5 million cwt, up 10 percent from a year earlier, but still the second smallest U.S. long-grain crop since 1987/88.

Total imports for 2012/13 remain projected at 22.0 million cwt, an increase of 10 percent from the year-earlier revised estimate and second only to the 2007/08 record.

The 2012/13 total supply forecast was lowered 4.5 million cwt to 234.5 million cwt, a decline of 7.5 percent from a year earlier and the smallest since 2000/01. In 2012/13, a big decline in carryin and a slightly smaller crop are projected to more than offset higher imports.

Progress of the 2012/13 U.S. Rice Crop Remains Well Ahead of Normal

By June 10, 96 percent of the U.S. rice crop had emerged, up from 90 percent a year earlier and the U.S. 5-year average of 93 percent. Emergence was virtually complete in the South, with harvest expected to begin along the Gulf next month. In California, 80 percent of the crop had emerged by June 10, up from 71 percent last year and slightly above the 5-year average of 77 percent.

For the week ending June 10, 4 percent of the U.S. crop had headed, up 3 percentage points from both last year and the U.S. 5 year average.

For the week ending June 10, 69 percent of the U.S. crop was rated in good or excellent condition, up from 65 percent a week earlier and well above just 58 percent a year earlier.

Crop conditions vary by State. Starting in the Delta, 63 percent of Arkansas' 2012/13 crop was rated in good or excellent condition for the week ending June 10, unchanged from a week earlier. Additionally, 7 percent of the Arkansas crop was rated in very poor or poor condition, down from 9 percent a week earlier. Conditions were rated higher in the remaining Delta States. For the week ending June 10, 73 percent of Missouri's crop was rated in good or excellent condition, down 1 percentage point from a week earlier. An additional 5 percent of Missouri's crop was rated in poor condition. In Mississippi, 78 percent of the crop was rated in good or excellent condition, up 1 percentage point from last week, with just 1 percent rated in poor condition.

In Louisiana, 80 percent of the crop was rated in good or excellent condition, up from 76 percent a week earlier. For Texas, 64 percent of the crop was rated in good or excellent condition, down from 79 percent a week earlier, with 5 percent of the crop reported in poor condition.

In California, 80 percent of the crop was rated in good or excellent condition by June 10, up sharply from just 55 percent a week earlier.

U.S. 2012/13 Export Forecast Lowered to 87.0 Million Cwt

Total use of U.S. rice in 2012/13 is projected at 209.0 million cwt, down 3.0 million cwt from last month's forecast and 7 percent below a year earlier. Forecasts for both exports and domestic disappearance were lowered this month.

Total domestic and residual use of all-rice in 2012/13 is projected at 122.0 million cwt, down 1.0 million from both last month's forecast and a year earlier.

Total exports of U.S. rice in 2012/13 are projected at 87.0 million cwt, down 2.0 million cwt from last month's forecast and 14 percent below the year-earlier revised level. These are the smallest U.S. exports since 2000/01. Latin America is the largest market for U.S. rough-rice exports. In contrast, milled rice exports (combined milled- and brown-rice exports converted to a rough-basis) are projected at 55 million cwt, down 2.0 million from last month's forecast and 15 million cwt below the year-earlier revised level. These are the lowest U.S. milled-rice exports since 1973/74.

U.S. ending stocks of all-rice in 2012/13 are projected at 25.5 million cwt, down 1.5 million cwt from last month's forecast and nearly 14 percent below a year earlier.

The medium- and short-grain carryout is projected at 7.2 million cwt, down 0.5 million cwt from last month's forecast and 33 percent below a year earlier. The medium/short-grain stocks-to-use ratio is calculated at 11.7 percent, down from 15.2 percent in 2011/12 and the lowest since at least 1982/83 when USDA first began reporting supply and use estimates by class.

U.S. 2011/12 Export Forecast Raised to 101.0 Million Cwt

There was only one supply side revision to the 2011/12 balance sheet this month. The 2011/12 import forecast was lowered 0.5 million cwt to 20.0 million based on deliveries through April and expectations regarding purchases the remainder of the market year.

On the use side, total exports were raised 4.0 million cwt to 101.0 million cwt, still almost 10 percent below a year earlier. The April shipments reported by the U.S. Census were the highest thus far in the 2011/12 market year.

The combination of slightly weaker imports and a stronger export forecast lowered the 2011/12 ending stocks forecast 4.5 million cwt to 29.5 million cwt.

U.S. Rough-Rice Prices Are Projected To Be Higher in 2012/13

The 2012/13 season-average farm price (SAFP) for U.S. long-grain rice remains projected at \$14.50-\$15.50 per cwt, up from \$13.30-\$13.50 per cwt a year earlier. The midpoint of the 2012/13 long-grain SAFP would be the highest on record. The combined medium- and short-grain 2012/13 U.S. SAFP remains projected at \$17.25- \$18.25 per cwt, compared with \$15.60-\$15.70 a year earlier.

In late May, NASS reported a mid-May U.S. long-grain rough-rice price of \$13.10 per cwt, down 10 cents from the revised April estimate. The April price was lowered 10 cents from the mid-month estimate to \$13.20. For combined medium- and short-grain rice, the mid-May NASS price was reported at \$16.00 per cwt, up 70 cents from the revised April price. The April medium- and short-grain rough-rice cash price estimate was lowered \$0.60 to \$15.30 per cwt.

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