

Two States Account For Half Of Rice Production Increase



ECONOMIC RESEARCH SERVICE

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The 2011/12 U.S. rice production forecast was raised 1.2 million cwt this month to 188.1 million cwt. The crop is down almost 23 percent from the year-earlier record and is the smallest U.S. rice crop since 1998/99. The 2011/12 yield is the second highest on record.

By class, the long-grain production estimate was raised 0.7 million cwt to 117.5 million, down 36 percent from a year earlier and the smallest since 1996/97.

On an annual basis, rice plantings declined in 2011/12 in all reporting States except California.

Yields are projected higher in 2011/12 than a year earlier in all reported States except Texas.

Production is estimated lower in 2011/12 in all reported States except California.

The U.S. 2011/12 harvest is nearly over, with harvests complete in Louisiana, Mississippi, and Texas. In Arkansas, 98 percent of the crop was reported harvested by November 6, even with the State's 5-year average. Missouri's harvest was reported 98 percent complete by November 6, 1 percentage point ahead of the State's 5-year average.

U.S. 2011/12 Total Rice Supplies Are Forecast To Decline 14 Percent

The total U.S. rice supply for 2011/12 is forecast at 255.5 million cwt, up 1.2 million cwt from last month's forecast, but 14 percent below the year-earlier record. Despite this month's upward revision, total supplies are the smallest since 2008/09. In 2011/12, a much smaller crop has more than offset a larger carryin and higher expected imports. By class, the long-grain total supply forecast was raised 0.7 million cwt to 169.6 million cwt, 24 percent below a year earlier and the smallest since 2000/01. The combined medium- and short-grain total supply forecast was raised 0.4 million cwt to 83.2 million cwt, 14 percent larger than a year earlier and the highest since 1982/83. Supplies of broken are not specified by class.

Beginning stocks of all-rice are calculated at 48.5 million cwt, unchanged from last month, but 33 percent larger than a year earlier and the largest since 1987/88.

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 remains projected at 16.5 million cwt, 4 percent higher than a year earlier.

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

U.S. 2011/12 Exports Are Forecast To Decline more than 18 percent to 91.0 Million Cwt

Total use of U.S. rice in 2011/12 remains projected at 218.0 million cwt, 13 percent below the year-earlier record. By class, long-grain total use is projected at 152.0 million cwt, almost 19 percent smaller than the year-earlier record. Medium/short-grain total use is fore-

cast at a near-record 66.0 million cwt, 5 percent above a year earlier.

Total domestic and residual use of all-rice remains projected at 127.0 million cwt for 2011/12, almost 8 percent smaller than the year-earlier record.

Total exports of U.S. rice in 2011/12 remain projected at 91.0 million cwt, more than 18 percent below 2010/11.

By class, U.S. long-grain exports remain projected at 60.0 million cwt, 23 percent below a year-earlier.

Combined medium- and short-grain exports are projected at 31.0 million cwt, 8 percent below a year earlier. The U.S. is expected to face much stronger competition from both Australia and Egypt in the Pacific and Middle East in 2011/12 than a year earlier.

U.S. 2011/12 Ending Stocks Forecast Raised to 37.5 Million Cwt

U.S. ending stocks of all-rice in 2011/12 are projected at 37.5 million cwt, 1.2 million cwt above last month's forecast, but 23 percent below a year earlier. The stocks-to-use ratio is calculated at 17.2 percent, up from 16.7 percent last month, but below 19.4 percent in 2010/11.

By class, the 2011/12 U.S. long-grain carryout is projected at 17.6 million cwt, up 0.7 million cwt from last month, but more than 50 percent below a year earlier.

The medium/short-grain carryout is projected at 17.2 million cwt, up 0.4 million cwt from last month's forecast and up 70 percent larger than a year earlier. This is the largest medium- and short-grain carryout since 1986/87. 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 26.1 percent, up substantially from 16.1 percent in 2010/11. Stocks of broken, included in the total stocks estimate, are not reported by class.

U.S. Season-Average Price for Long-grain Rice Projected Higher in 2011/12

The 2011/12 season-average farm price (SAFP) for U.S. long-grain rice remains projected at \$13.50-\$14.50 per cwt, unchanged from last month. The 2011/12 SAFP for long-grain rice is well above the \$11.10 estimated for 2010/11. U.S. long-grain prices in 2011/12 are being supported by much smaller U.S. supplies, higher quality, and stronger world prices.

The combined medium- and short-grain 2011/12 U.S. SAFP remains projected at \$15.50-\$16.50 per cwt, with the \$2.40 midpoint below the 2010/11 SAFP of \$18.40 per cwt. In 2011/12, U.S. medium- and short-grain prices are expected to face downward pressure from larger U.S. supplies and increased competition from Australia and Egypt in the global rice market.

In late October, NASS reported a mid-October U.S. long-grain rough-rice price of \$13.70 per cwt, unchanged from a revised \$13.70 in September. The September price was raised \$1.00 from the mid-month estimate. For combined medium- and short-grain rice, the mid-October NASS price was reported at \$19.40 per cwt, up \$1.90 cents from the revised September price. The September medium- and short-grain rough-rice cash price was lowered \$1.30 from the mid-month estimate to \$17.50 per cwt. Δ

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