

U.S. Crop Forecast Raised For U.S. Domestic Rice



ECONOMIC RESEARCH SERVICE

U.S. Department of Agriculture, Washington, DC

Market Outlook on Rice is sponsored by RiceTec, Inc.

The 2012/13 U.S. rice crop is forecast at 191.0 million cwt, up 8.0 million cwt from last month's forecast and 3 percent larger than a year earlier. This month's upward revision was the result of a higher area forecast. At 2.66 million acres, U.S. planted area for rice is up 100,000 acres from the planting intentions released in March, but still 1 percent below a year earlier and the smallest area since 1986/87.

The average yield, projected at a record 7,235 pounds per acre, is fractionally above last month's forecast and more 2 percent above a year earlier.

Long-grain rice production is projected at 133.5 million cwt, up 6.0 million cwt from last month's forecast and nearly 15 percent larger than a year earlier. This month's upward revision in long-grain production is based on a higher area forecast, with Arkansas and Missouri accounting nearly all of the upward revision in long-grain area.

Planted area was raised from the March intentions for Arkansas, California, and Missouri. Arkansas plantings were raised 90,000 acres from March, with the increase mostly long-grain.

On a year-to-year basis, rice plantings are estimated lower in all reported States except Arkansas and Missouri. Texas accounted for the bulk of the area decline. At 114,000 acres, rice plantings in Texas are 37 percent below a year earlier and the lowest in more than a Century. The State has suffered from severe drought and has instituted water restrictions. California plantings are estimated at 560,000 acres, down 4 percent from last year. At 135,000 acres, Mississippi's rice plantings are 16 percent below a year earlier and the lowest since 1977/78. Louisiana's rice area dropped more 5 percent from 2011/12 to 400,000 acres, the smallest 2007/08.

In contrast, rice plantings in Arkansas rose almost 5 percent to 1.25 million acres, with long-grain accounting for all of the increase. Rice plantings in Missouri increased 41 percent to 201,000 acres. In 2011/12, severe early season flooding reduced rice plantings in the Delta growing States.

Progress of the 2012/13 U.S. Rice Crop

Remains Well Ahead of Normal

By July 8, 26 percent of the U.S. rice crop had headed, up from 16 percent a year earlier and the U.S. 5-year average of 14 percent. Crop progress is 1-3 weeks ahead of normal in much of the South, largely due to early planting. Early planting and an early harvest are typically associated with high yields.

For the week ending July 8, 72 percent of the U.S. crop was rated in good or excellent condition, up from 69 percent a month earlier and well above 61 percent a year ago. Last year, the combination of severe flooding early in the season, delayed plantings, and the extreme summer heat reduced crop conditions in much of the South. Crop conditions vary by State.

Total Supply Forecast for 2012/13 Raised 12.5 Million Cwt to 247.0 Million Cwt

A revised carryin and bigger crop forecast more than offset a weaker import forecast this month to raise the 2012/13 total supply fore-

cast 12.5 million cwt to 247.0 million cwt, still almost 3 percent below a year earlier and the smallest since 2000/01.

The 2012/13 carryin forecast was raised 5.0 million cwt to 34.5 million cwt, still 29 percent below a year earlier. The upward revision was the result of a smaller domestic and residual use estimate for 2011/12.

Total imports for 2012/13 are projected at 21.5 million cwt, down 0.5 million from last month's forecast, but up 7.5 percent from a year earlier. The downward revision was based on larger supplies of U.S. produced rice.

U.S. 2012/13 Export Forecast Raised 5.0 Million Cwt to 92.0 Million Cwt

Total use of U.S. rice in 2012/13 is projected at 218.0 million cwt, up 9.0 million cwt from last month's forecast, but fractionally below a year earlier. This month, projections for both exports and domestic and residual use were raised.

Total domestic and residual use of all-rice in 2012/13 is projected at 126.0 million cwt, up 4.0 from last month's forecast and 7 percent higher than the year-earlier revised estimate.

Total exports of U.S. rice in 2012/13 are projected at 92.0 million cwt, up 5.0 million cwt from last month's forecast, but still 9 percent below a year earlier.

By class, long-grain exports are projected at 60.0 million cwt, up 3.0 million cwt from last month's forecast, but still 9 percent below a year earlier. These are the smallest U.S. long-grain exports since 1996/97.

U.S. ending stocks of all-rice in 2012/13 are projected at 29.0 million cwt, up 3.5 million cwt from last month's forecast, but 16 percent below a year earlier. These are the smallest ending stocks since 2003/04. The stocks-to-use ratio is calculated at 13.3 percent, down from 15.7 percent in 2011/12.

By class, the 2012/13 U.S. long-grain carry-out is projected at 17.1 million cwt, up 1.5 million cwt from last month's forecast, but 8 percent below a year earlier. The long-grain stocks-to-use ratio is calculated at 11.1 percent, down from 12.3 percent a year earlier and the lowest since 2003/04.

U.S. 2011/12 Domestic and Residual Use Forecast

Lowered 5.0 Million Cwt to 118.0 Million Cwt

There were no supply side revisions to the 2011/12 balance sheet this month. On the use side, total domestic and residual use was lowered 5.0 million cwt to 118.0 million cwt, 14 percent below the year-earlier record and the smallest since 2003/04. The substantial revision is largely based on the June 1 stocks data reported in the June 29 Rice Stocks that indicated lower domestic use during the March-May period than previously estimated and supported a weaker market year domestic use forecast.

The reduced domestic and residual use forecasts resulted in higher ending stocks forecasts for all-rice and by class. The total ending stocks forecast for 2011/12 was raised 5.0 million cwt to 34.5 million cwt, still 29 percent below a year earlier.

Rice stocks on June 1 are estimated below a year earlier in all southern reported States.

U.S. 2012/13 Season-Average Price Forecasts

Lowered for both Classes of Rice

The 2012/13 season-average farm price (SAFP) for U.S. long-grain rice was lowered \$1.50 per cwt on both the high and low ends this month to \$13.00-\$14.00 per cwt, compared with \$13.40 per cwt a year earlier.

In late June, NASS reported a mid-June U.S. long-grain rough-rice price of \$13.30 per cwt, unchanged from the revised May estimate. The May price was raised 20 cents from the mid-month estimate to \$13.30. Δ