

U.S. Increases Long Grain Rice Plantings In 2010



ECONOMIC RESEARCH SERVICE

U.S. Department of Agriculture, Washington, DC

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The March 2010 Prospective Plantings report indicated total U.S. rice plantings in 2010/11 at 3.41 million acres, up nearly 9 percent from a year earlier.

Long-grain accounts for all of the indicated expansion in U.S. rice acreage in 2010/2011. At 2.58 million acres, U.S. long-grain plantings would be more than 12 percent above a year earlier and the highest since 2005/06.

In contrast, combined 2010/11 medium/short-grain plantings are indicated at 836,000 acres, down just 1 percent from last year. Despite near-record medium/short-grain production last year, farm prices remain well above pre-2008 levels and still carry around a \$4 per cwt premium to U.S. long-grain prices.

Growers indicated expanded plantings of rice in all reported States, with Arkansas – the largest rice growing State – accounting for more than half the increase. Growers in Louisiana indicated they would plant 510,000 acres of rice in 2010/11, up almost 9 percent from last year and the largest since Hurricane Katrina struck the Gulf Coast in late August 2005. Mississippi's 2010/11 rice plantings are indicated at 270,000 acres, a 10-percent increase from last year and the highest since 1999/2000. Missouri's intended plantings of a record 217,000 acres are up more than 7 percent from a year earlier. Texas growers indicated a 7-percent area expansion to 183,000 acres, the highest since 2005/06.

Finally, growers in California indicated a 7-percent increase in rice plantings to a record 600,000 acres.

Indicated U.S. plantings are based on a survey of growers conducted by USDA's National Agricultural Statistics Service in early March. Actual plantings may differ from reported intentions. The first survey of actual plantings of the 2010/11 crop will be conducted in June and reported in the Acreage report released on June 30, 2010.

The U.S. 2010/11 rice crop was reported 14 percent planted by April 4, about 4 percentage points ahead of last year and slightly ahead of the U.S. 5-year average.

March 1, 2010 Rice Stocks Estimated To be

Up 11 Percent from a Year Earlier

Data from the March Rice Stocks report indicates U.S. rice stocks (converted to a rough-equivalent basis) on March 1 were 108.5 million cwt, up 11 percent from a year earlier, but well below industry expectations. Medium/short-grain accounts for most of the year-to-year increase in stocks. At 38.2 million cwt, medium/short-grain stocks on March 1 were 34 percent above a year earlier. Almost all of these stocks are in California.

By State, California and Louisiana account for nearly all of the annual increase in March 1 stocks. Rice stocks in California on March 1, 2010 are estimated at 31.5 million cwt, up 24 percent from a year earlier. In Louisiana, rice stocks on March 1 are estimated at 11.0 million cwt, more than twice the level calculated a year earlier.

At 51.7 million cwt, March 1 rice stocks in Arkansas are up just 1 percent from a year earlier.

U.S. 2009/10 Rice Supplies Remain Projected at 271.3 Million Cwt

There were no supply side revisions this

month to the 2009/10 (August-July) U.S. rice balance sheet. Total U.S. supplies of rice remain projected at 271.3 million cwt (rough-basis), almost 8 percent larger than a year ago and the highest since 2005/06. Carryin, production, and imports are all estimated larger in 2009/10 than a year earlier, with the larger crop accounting for most of the increase in total supplies.

Total U.S. imports of rice remain projected at 21.0 million cwt, up 9 percent from 2008/09 and second only to the record 23.9 million cwt imported in 2007/08.

The 2009/10 all-rice carryin remains estimated at 30.4 million cwt, more than 3 percent above a year earlier. The 2009/10 crop remains estimated at 219.85 million cwt, 8 percent larger than a year earlier, a result of both a higher yield and expanded area.

U.S. 2009/10 Rice Export Forecast Raised 3.0 Million Cwt to 103.0 Million

Total use of U.S. rice in 2009/10 is projected at a record 239.0 million cwt, up 8.5 million cwt from last month's forecast, and almost 8 percent higher than last year.

The 2009/10 rough-rice export forecast is raised 2.0 million cwt to a near-record 41.0 million, up 32 percent from last year and the highest since the 2002/03 record.

Total domestic and residual use is projected at a record 136.0 million cwt, up 5.5 million cwt from last month's forecast and 6 percent larger than a year earlier. This month's upward revision is largely based on data from the March Rice Stocks report indicating higher-than-expected domestic disappearance during the first 7 months of the market year.

By class, long-grain domestic and residual use is forecast at a record 104.0 million cwt, up 5 percent from last month's forecast and 1 percent above a year earlier.

U.S. ending stocks for 2009/10 are projected at 32.3 million cwt, down 8.5 million cwt from last month's forecast, but still 6 percent above a year earlier. The stocks-to-use ratio is calculated at 13.5 percent, fractionally below a year earlier. By class, long-grain ending stocks are projected at 15.8 million cwt, down 6.5 million cwt from last month's forecast and 21 percent below a year earlier. Long-grain ending stocks are projected to be the lowest since 2003/04. Medium/short-grain ending stocks are projected at 14.1 million cwt, down 2.0 million from last month, but still 76 percent above a year earlier. At 22.1 percent, the medium/short-grain stocks-to-use ratio is well above the 2008/09 ratio of 14.9 percent.

U.S. 2009/10 Long-Grain Season Average Farm Price Forecast Raised to \$12.85- \$13.35 per Cwt

The 2009/10 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$12.85-\$13.35 per cwt, up 15 cents on both ends from last month's forecast, but well below the 2008/09 record of \$14.90.

The U.S. medium/short-grain 2009/10 SAFP is projected at \$17.50-\$18.00 per cwt, up 5 cents on both ends from last month's forecast. The 2009/10 medium/short-grain SAFP is well below the 2008/09 record of \$24.80 per cwt. The U.S. is currently the largest supplier of medium/short-grain rice to the global market.

Last month, USDA's National Agricultural Statistics Service (NASS) reported a mid-March 2010 cash price for long-grain rice of \$13.50 per cwt, 10 cents below the revised February price, but up 90 cents from August. The February price was lowered 10 cents from a preliminary estimate of \$13.50. For medium/short-grain rice, the mid-March NASS price was reported at \$17.60 per cwt, up 40 cents from the revised February price. The February medium/short-grain rough-rice cash price was lowered 70 cents from the mid-month estimate of \$17.90 per cwt. Δ



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