

USDA Projects Record U.S. Rice Crop



ECONOMIC RESEARCH SERVICE

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The 2010/11 U.S. rice crop is projected at a record 250.0 million cwt, up almost 3 percent from last month's forecast and 14 percent larger than a year earlier.

The average field yield for all-rice is forecast at 7,157 pounds per acre, down 45 pounds from last month's forecast, but up 72 pounds from last year and the second highest on record.

U.S. Rice Plantings in 2010/11 Are the Highest Since 1999/2000

Arkansas, Louisiana, and Mississippi account for the bulk of this month's upward revision in 2010/11 rice plantings. The Texas area estimate was increased 16,000 acres. In contrast, the California area estimate was lowered 45,000 acres, while the Missouri estimate remains unchanged from March.

All reported Southern rice-producing States increased rice plantings in 2010/11, with record plantings estimated for Arkansas and Missouri. Arkansas' plantings of 1.68 million acres are up 13 percent from last year.

The progress on the 2010/11 U.S. rice crop is well ahead of normal. For the week ending July 4, 13 percent of the U.S. crop had headed, 4 percentage points ahead of the 5-year average, with the Delta accounting for much of the early progress.

The condition of the 2010 crop remains well ahead of a year earlier, but has declined slightly since mid-June. For the week ending July 4, 72 percent of the U.S. crop was rated in good or excellent condition, well ahead of just 55 percent last year, but slightly below last week's 74 percent and 77 percent in mid-June.

Eighty percent of Louisiana's crop was rated in good or excellent condition by July 4, up from 65 percent last year. In Texas, 82 percent of the crop was reported in good or excellent condition for the week ending July 4, up from 68 percent a year earlier. Despite delayed plantings, California reported 75 percent of its crop in good or excellent condition by July 4, up from 60 percent last year. However, California's crop conditions have declined 10 percentage points since mid-June.

U.S. 2010/11 Total Rice Supplies Estimated at a Record 309.4 Million Cwt

Total U.S. rice supplies in 2010/11 are projected at a record 309.4 million cwt, an increase of more than 5 percent from last month's forecast and 14 percent above a year earlier. Long-grain accounts for all of this month's upward revision in total supplies.

Estimates for both beginning stocks and production were raised this month. At 38.4 million cwt, the 2010/11 carryin is up 35 percent from last month's forecast and 26 percent larger than a year earlier.

Total imports for 2010/11 remain forecast at 21.0 million cwt, 5 percent above a year earlier and the second highest on record.

U.S. 2010/11 Total Domestic and Residual Use Projection Lowered to 129.0 Million Cwt.

Total use of rice in 2010/11 is projected at 242.0 million cwt, down 2 percent from last month's projection, but still 4 percent above this year and the highest on record.

Total domestic and residual use of all-rice was lowered 7 percent to 129.0 million cwt for 2010/11, still almost 2 percent above a year earlier and the highest on record.

Total exports of U.S. rice in 2010/11 are projected at 113.0 million cwt, an increase of 4 percent from last month's forecast and 8 percent above a year earlier.

U.S. 2010/11 Ending Stocks Are Projected To Climb to 67.4 Million Cwt

U.S. ending stocks in 2010/11 are projected at 67.4 million cwt, an increase of almost 49 percent from last month's forecast and almost 76 percent larger than a year earlier.

These are the largest ending stocks since 1985/86. The stocks-to-use ratio is calculated at 27.9 percent, up sharply from 16.6 percent in 2009/10 and the highest since 1986/87.

2009/10 U.S. Domestic and Residual Use Forecast Lowered 7 Percent

Total use of U.S. rice in 2009/10 was lowered 4 percent to 232.0 million cwt, a result of a revised domestic and residual use estimate. The 2009/10 total domestic and residual use estimate was lowered 10.0 million cwt to 127.0 million, still fractionally above a year earlier. The substantial downward revision was based on information from the June NASS Rice Stocks report indicating much lower use during the March to May period.

Long-grain accounts for all of the downward revision in domestic and residual use.

Based on data reported in the June Rice Stocks report, U.S. rice stocks (both milled and rough on a rough-rice basis) on June 1, 2010, are calculated at 63.9 million cwt, 13 percent above a year earlier.

Rice stocks on June 1, 2010 were higher than a year earlier in all reported States except Mississippi and Texas. In California, rice stocks on June 1 are calculated at 17.7 million cwt, up 25 percent from a year earlier. Medium/short-grain accounts for almost all of California's rice stocks. Arkansas' June 1, 2010 rice stocks are calculated at 33.7 million cwt, a 13-percent increase from a year earlier. Louisiana's June 1, 2010 calculated stocks of 4.2 million cwt were 65 percent larger than a year earlier.

U.S. 2010/11 Long-Grain Season-Average Farm Price Lowered to \$9.00-\$10.00 per Cwt

The 2010/11 season-average farm price (SAFP) for U.S. long-grain rice is projected at \$9.00-\$10.00 per cwt, down 75 cents on both ends from last month and well below a revised \$12.90 in 2009/10.

The combined medium/short-grain 2010/11 U.S. season-average price is projected at \$17.00-\$18.00 per cwt, up \$2.50 on both ends from last month's range. The midpoint of the 2010/11 prices is 30 cents below the 2009/10 SAFP of \$17.80. The substantial upward revision is based on projections of tighter U.S. supplies and smaller exportable supplies in Egypt, a major competitor of the U.S. in this market. The 2009/10 price was lowered 5 cents from last month's mid-point based on monthly reported cash prices through May and expectations regarding prices the remainder of the market year. The U.S. is currently the largest exporter of medium/short-grain rice.

Last month, NASS reported a mid-June 2010 cash price for long-grain rice of \$12.40 per cwt, 10 cents below the revised May price. This is the lowest long-grain monthly cash price since February 2008. The May price was lowered 50 cents from a preliminary estimate of \$13.00. The May medium/short-grain rough-rice cash price was lowered \$1.90 per cwt from the mid-month estimate of \$18.70 per cwt. △