

**Rice Graphics and Commentary**

**November 15, 2005**

**By**

**Bobby Coats**

**Extension Agricultural Policy Analyst**

**University of Arkansas Cooperative Extension Service**

The 2005 Arkansas and U.S. rice season is one for the record books. Arkansas producers began the season with a cold wet spring, followed by a historic drought in May and June followed by a dry production season. Couple this with energy costs reaching levels not experienced in 25 years, makes this our most expensive rice crop ever. Additionally, our producers harvested a considerable amount of lodged rice due to hurricane remnants, and now they face support reductions.

That said, all indications are that Arkansas producers have produced a record all rice crop with a currently estimated production of 108.1 million cwt, .6 million cwt above the 2004 production. In 2005, according to NASS, Arkansas rice producers harvested an estimated 1,635,000 acres compared to 2004's 1,555,000 acres. Louisiana and Mississippi are also projected to exceed their last year's rice production, while Missouri is projected to have a record production of 13.3 million cwt. The U.S. production is estimated at 220.7 million cwt, 10.1 million cwt below last year's production.

A quick scan of USDA's November rice balance sheet shows 2005/06 U.S. all rice ending stocks at 26.2 million cwt, 4.6 million cwt below October and 11.5 million cwt below a year earlier, which is fairly normal for the past fifteen years. The problem is that medium grain ending stocks are at historic lows of 6 million cwt for 2005/06 and long grain ending stocks though projected below 2004/05 are still problematic at 19.1 million cwt.

The season-average all rice farm price is projected at \$7.75 to \$8.05 per cwt, which is up 30 cents on both the high and low ends from the October estimate. There is a fear that export demand will weaken for U.S. rice with strengthening prices.

USDA's U.S. long grain November estimates are as follows:

Beginning long grain stocks for 2005/06 are estimated at 22.7 million cwt, the second largest since 1987 following 2002's 26.8 million cwt. 2003's beginning stocks were 15.7 million cwt and 2004's beginning stocks were 10.3 million cwt.

Long grain production for 2005 is the largest on record 173.2 million cwt, 2001 production was 167.6 million cwt, 2002 production was 157.2 million cwt, 2003 production was 149 million cwt and 2004 production was 168.9 million cwt.

Total long grain supply is also a record 207.1 million cwt, 17.4 million cwt above the last marketing period 2004/05.

Domestic and residual long grain use of 91 million cwt, if achieved, would also be a record. Domestic use is 44% of total long grain rice supply. The second highest domestic use was in 2001/02 at 87.7 million cwt, while last period's use (2004/05) was 83 million cwt. Achieving 91 million cwt of domestic use with the currently assumed 2005/06 all rice price may be challenging.

Total long grain exports if achieved would be the second highest on record at 97 million cwt or 47% of total supply. During the 2002/03 period exports were at a record 99.5 million cwt.

Total long grain use, a record, is estimated at 188 million cwt or 91% of total supply. 2000/01 total use was 141.5 million cwt, 2001/02 was 161.6 million cwt, 2002/03 178.4 million cwt, 2003/04 164.2 million cwt, and 2004/05 167 million cwt.

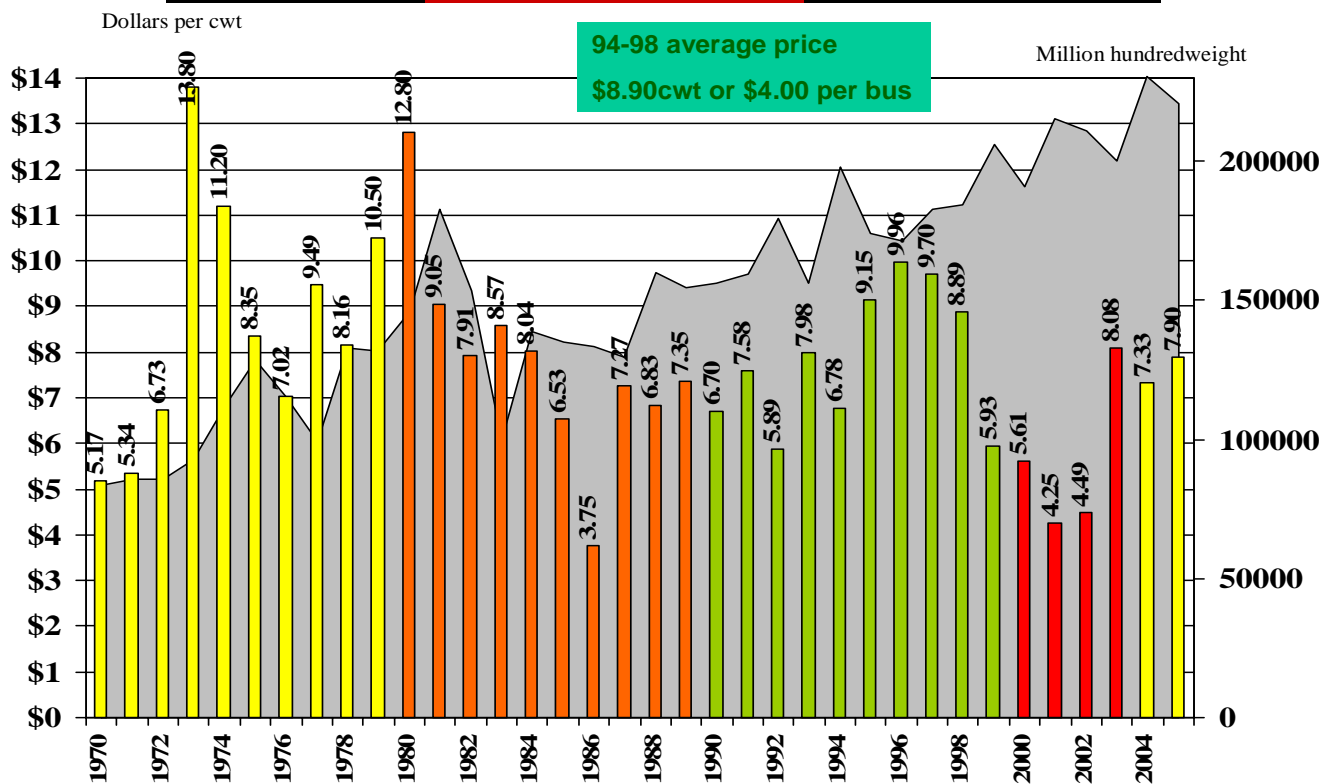
Ending long grain stocks are now estimated by USDA at 19.1 million cwt, which is below 2004/05's 22.7 million cwt, but still the fourth largest since 1987/88.

Global 2005/06 rice production at 406.1 million tons, trade at 25.5 million tons, consumption 414.2 million tons, and ending stocks at 64.6 million tons were all raised from October 2005's USDA report. Global production of 406.1 million tons is 4.2 million tons above 2004/05, and the second largest crop on record, following the 1999/00 production of 408.8 million tons. USDA's latest data shows the increase in global production due to a larger crop projected for China. China's 2005/06 production is projected at 127.4 million tons, a 1 percent increase over the October estimate.

Global rice ending stocks for 2005/06 are projected at 64.6 million tons, down 8.1 million tons from 2004/05 and the lowest stocks since 1982/83.

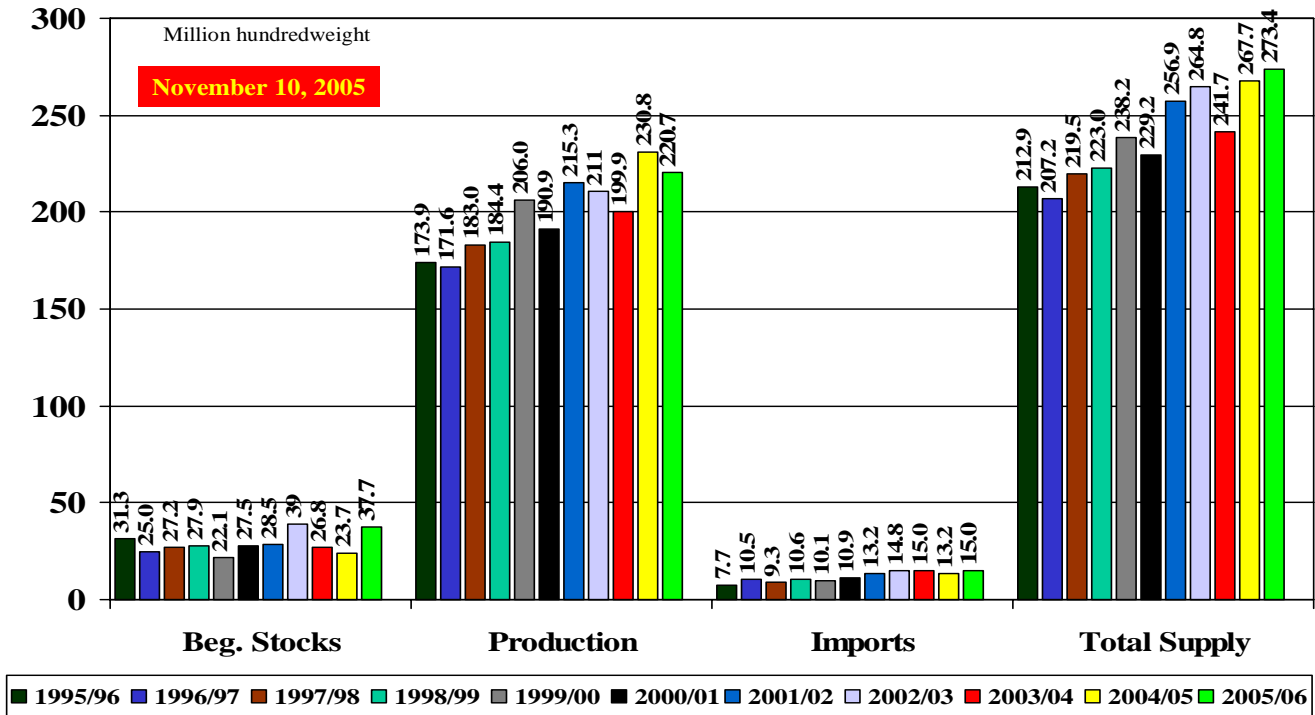
Source: [NASS/USDA Data Set](#), [World Agricultural Supply and Demand Estimates](#), [Rice Outlook Report](#), and [Grains: World Markets and Trade](#)

## U.S. All Rice Production & Price 1970/71 – 2005/06



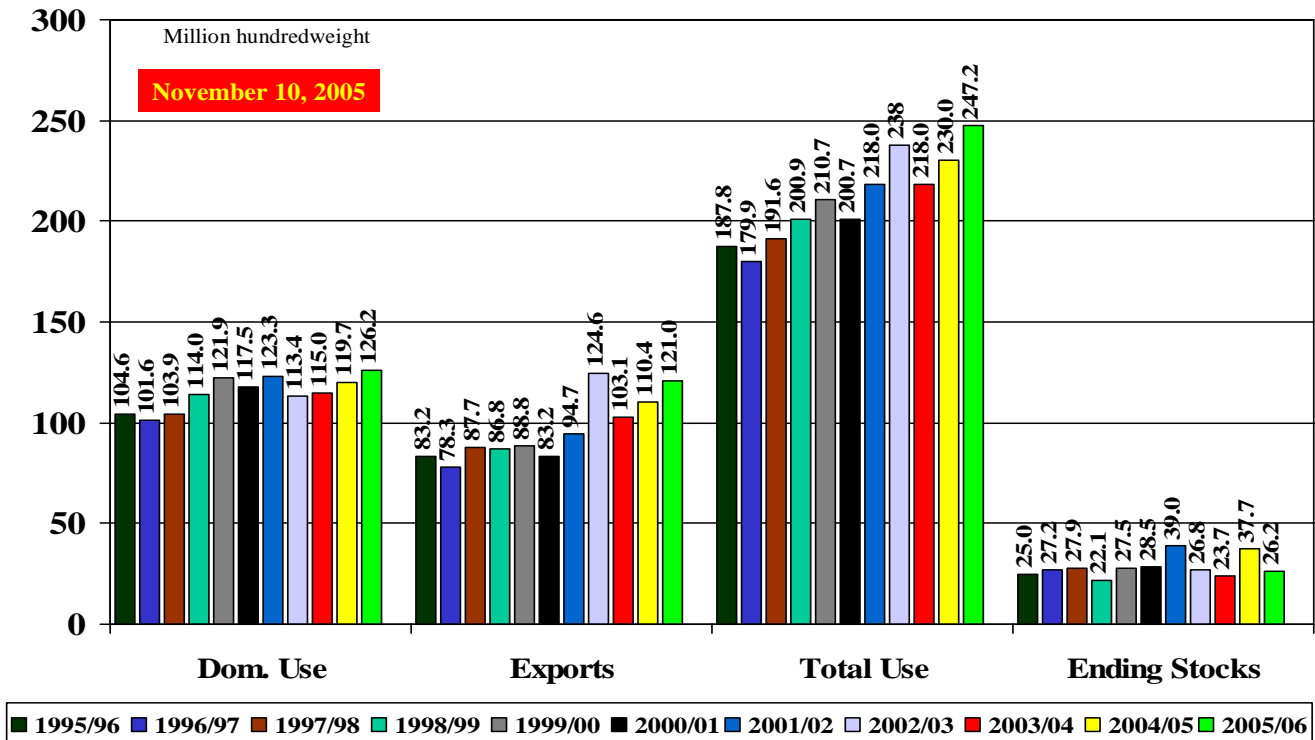
## U.S. All Rice Supply 1995/96 – 2005/06

Average Farm Price (\$/cwt): 2003/04 \$8.08, 2004/05 \$7.33 & 2005/06 \$7.75 to \$8.05



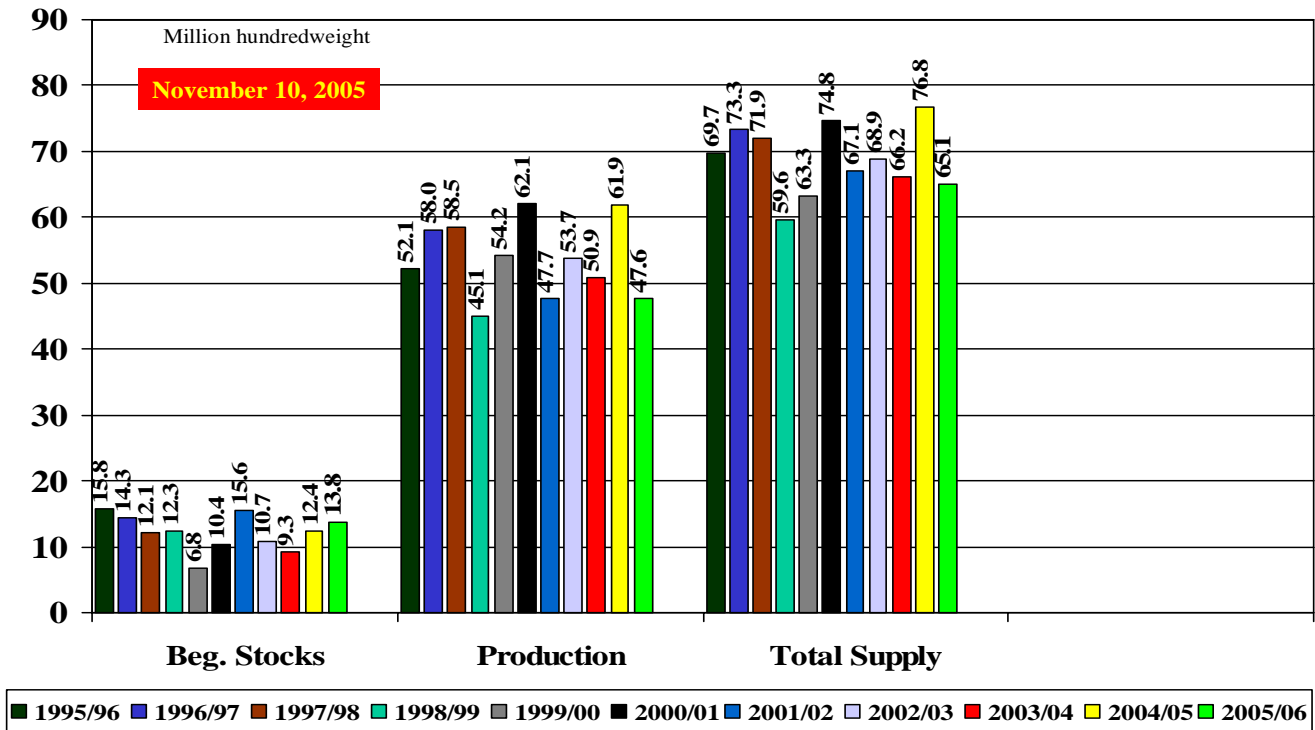
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. All Rice Use and Ending Stocks 1995/96 – 2005/06



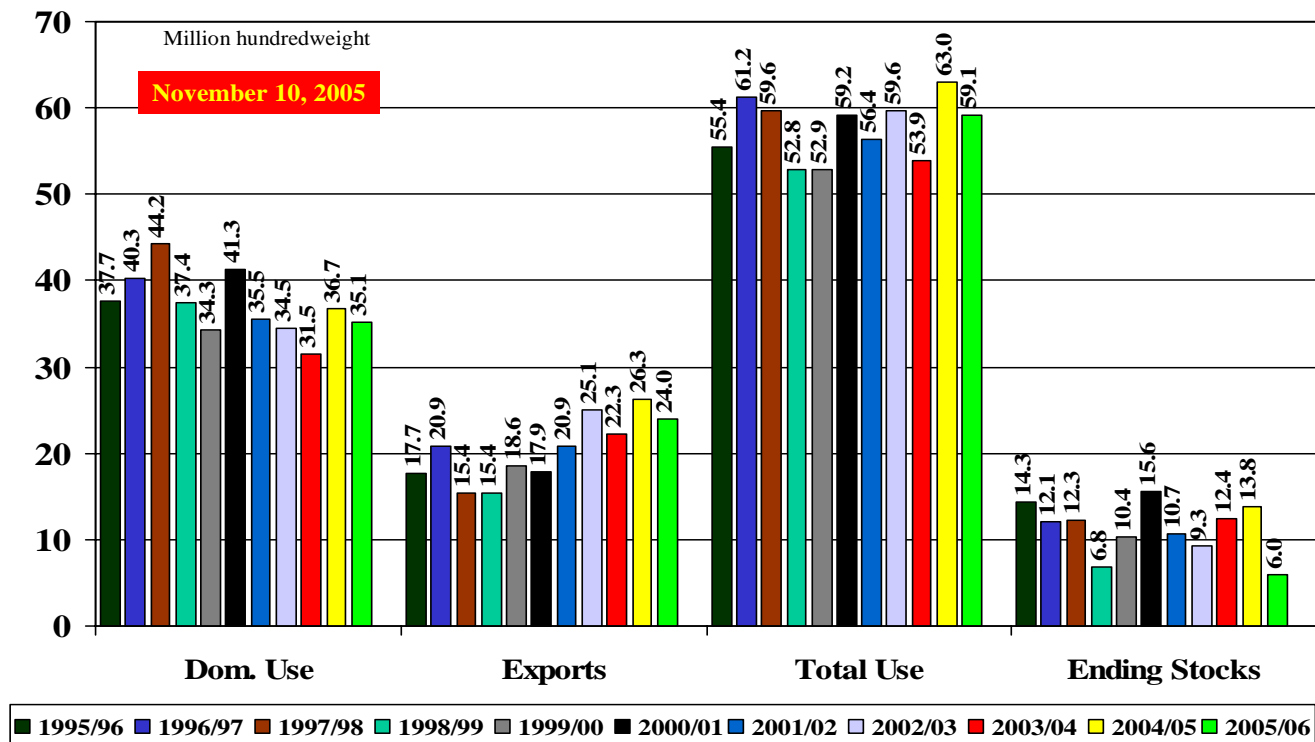
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Medium and Short Grain Rice Supply 1995/96 – 2005/06



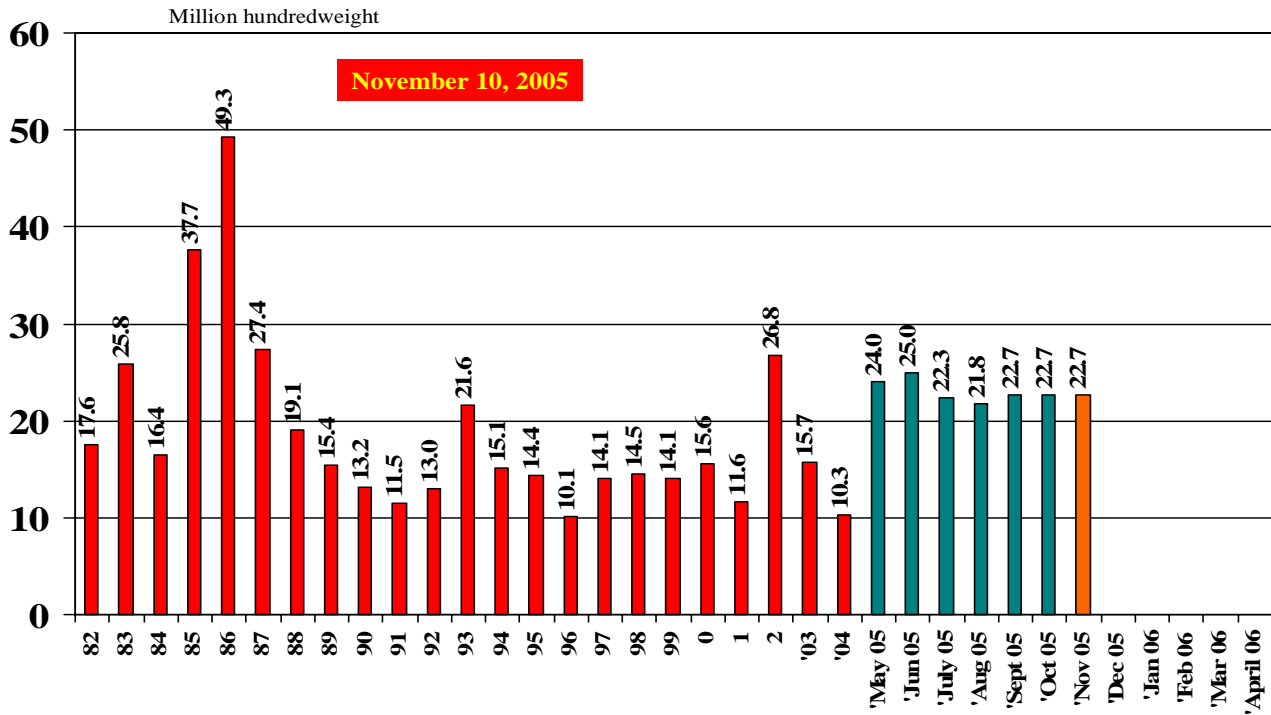
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Medium and Short Grain Rice Use and Ending Stocks 1995/96 – 2005/06



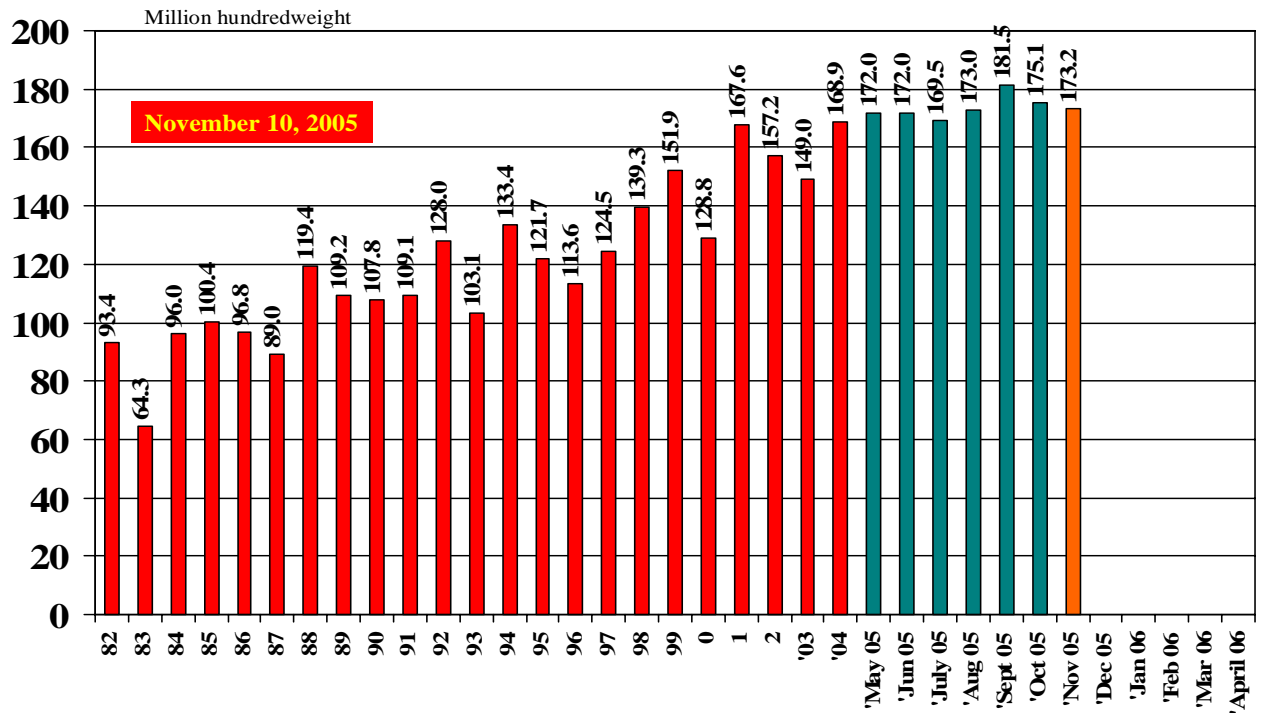
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Beginning Stocks** 1982/83 – 2005/06



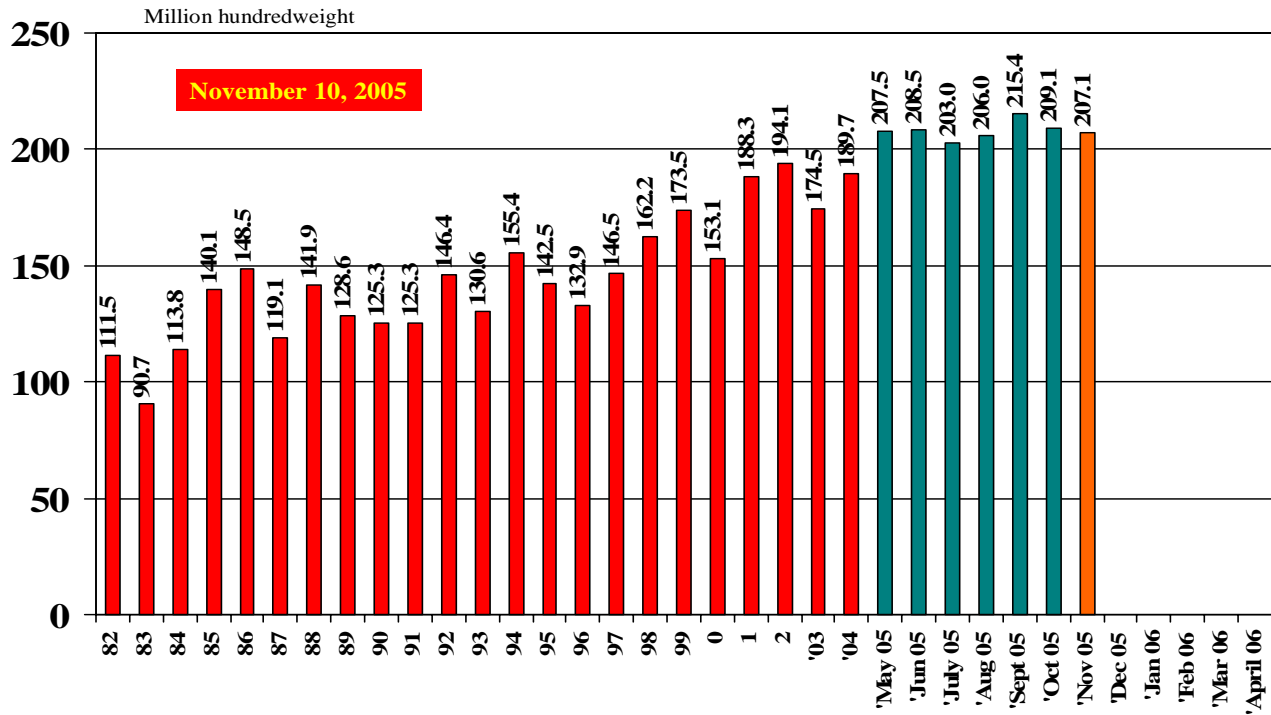
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Production** 1982/83 – 2005/06



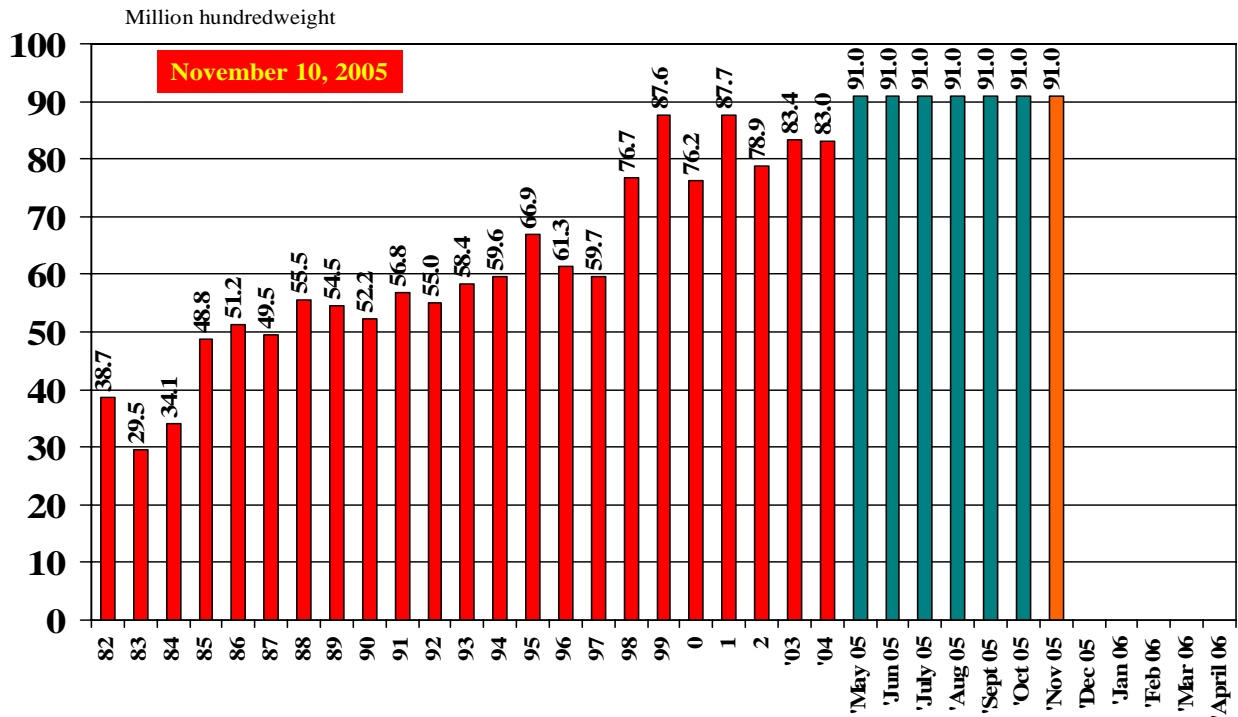
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Total Supply** 1982/83 – 2005/06



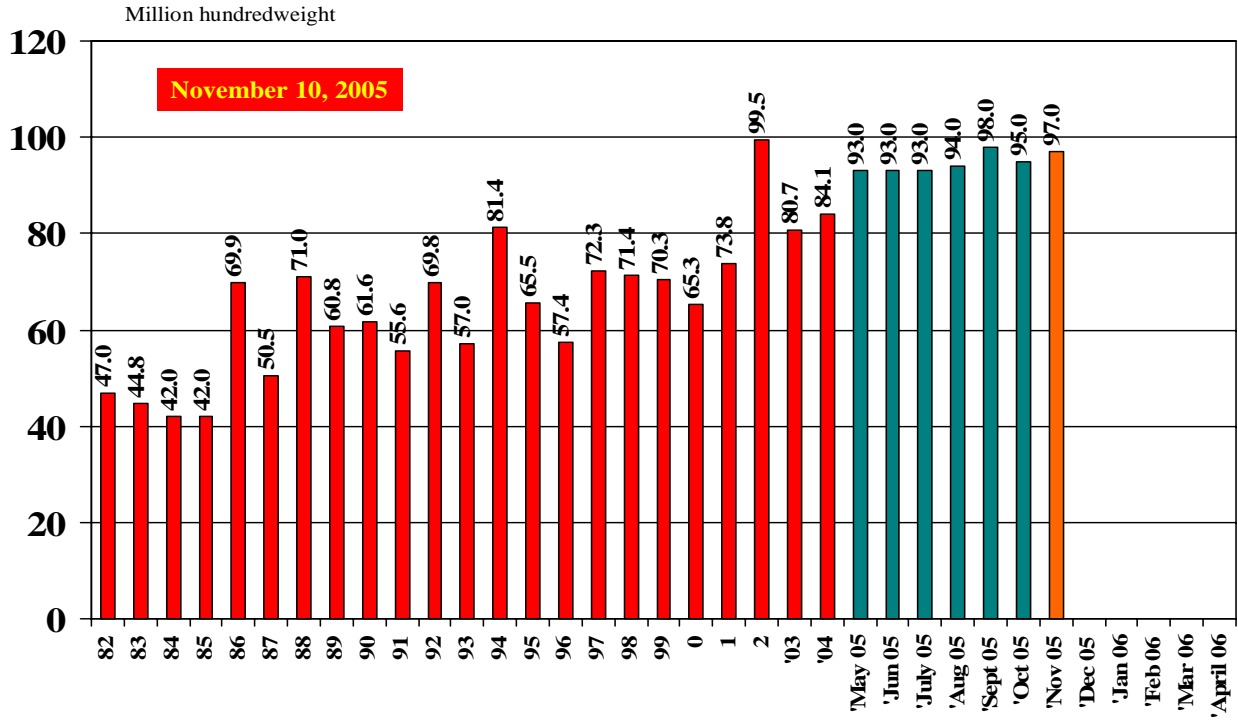
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Domestic & Residual** 1982/83 – 2005/06



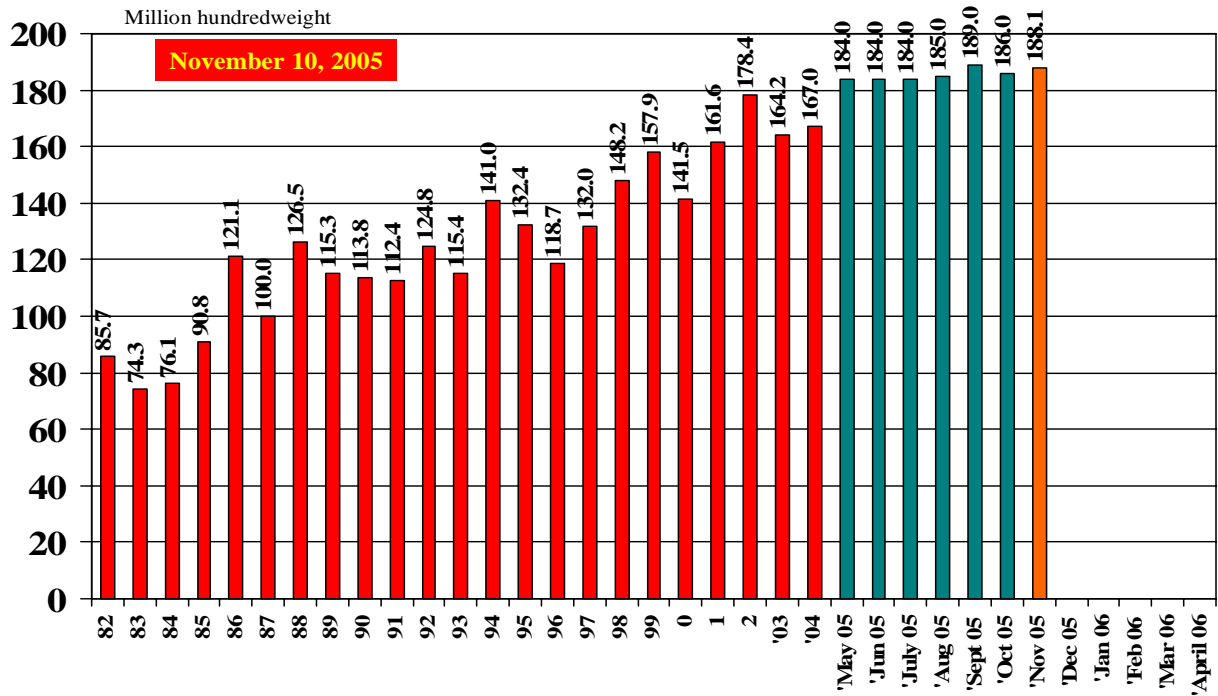
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Total Exports** 1982/83 – 2005/06



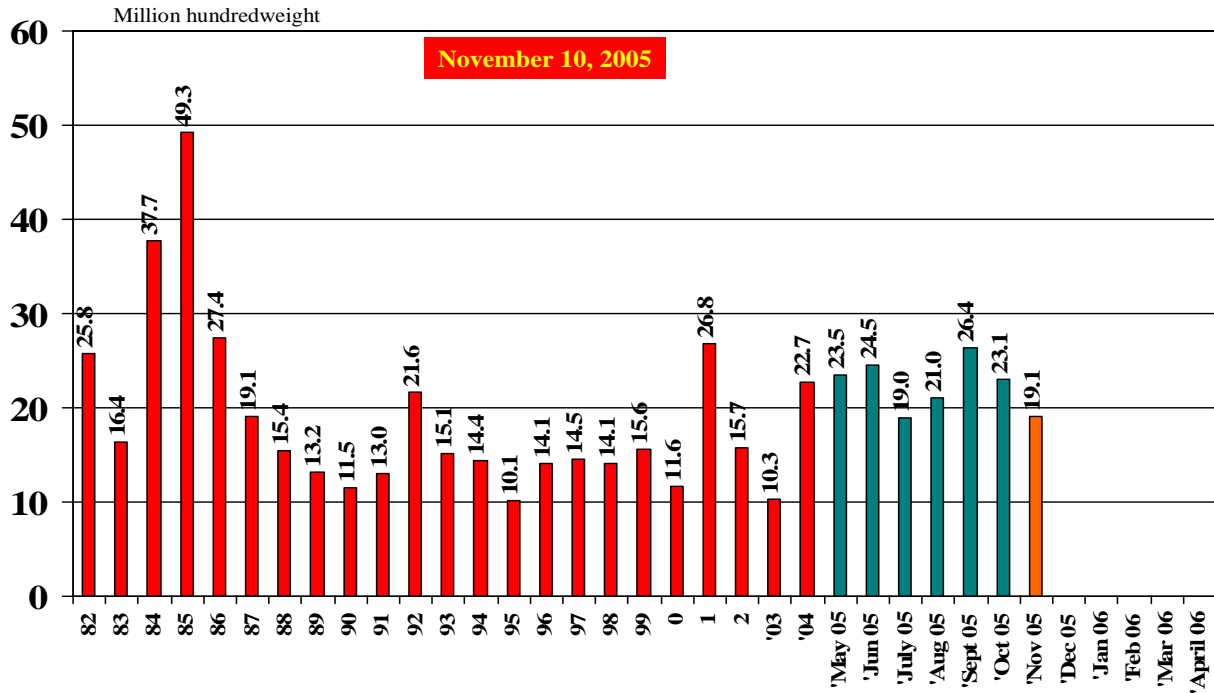
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice **Total Use** 1982/83 – 2005/06



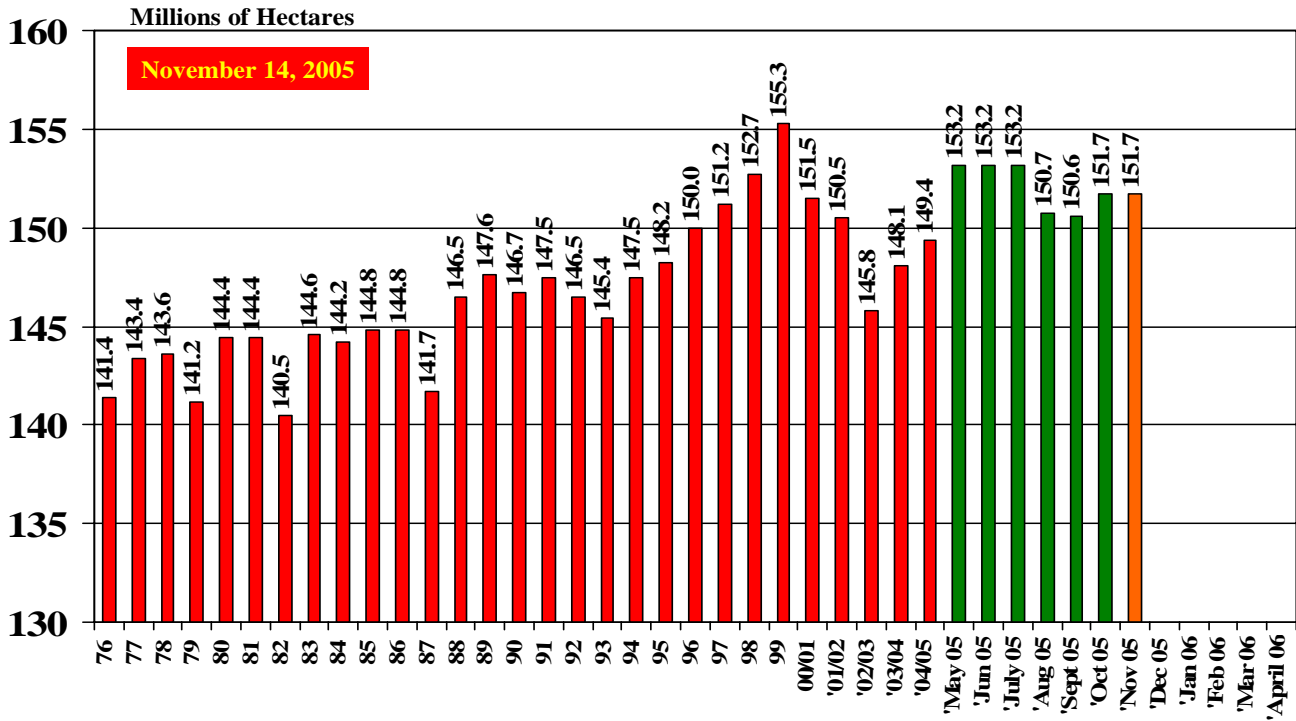
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Ending Stocks 1982/83 – 2005/06



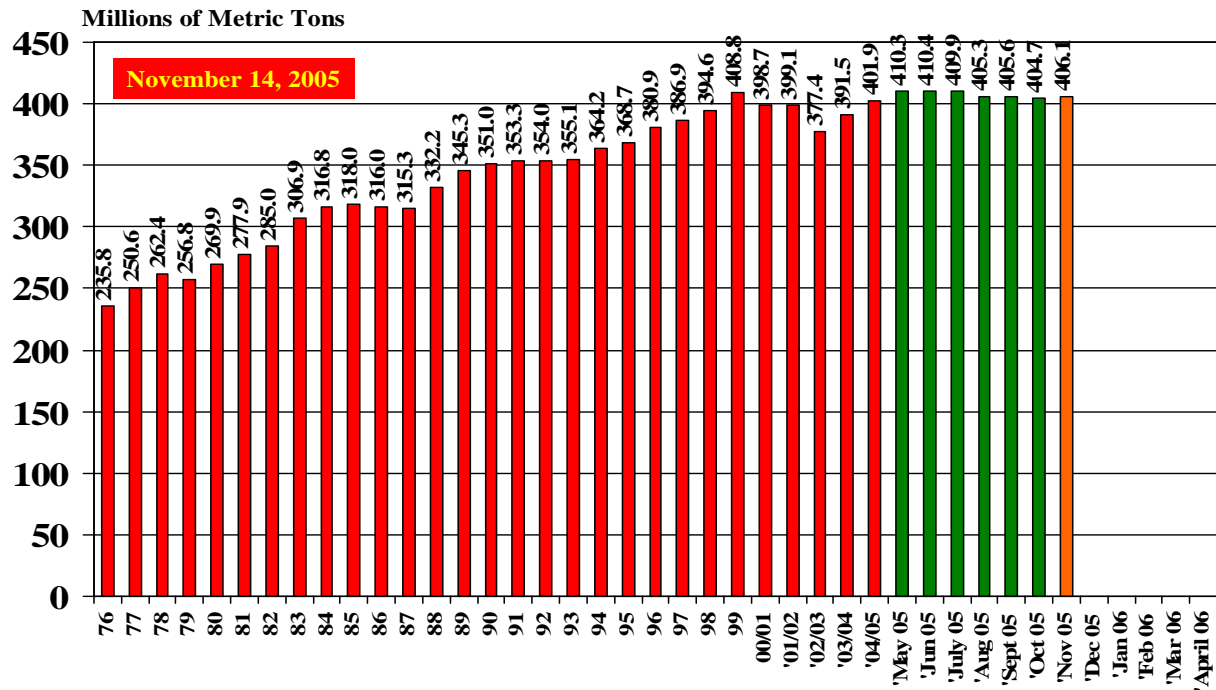
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## World Rice Area Harvested 1976/77 – 2005/06



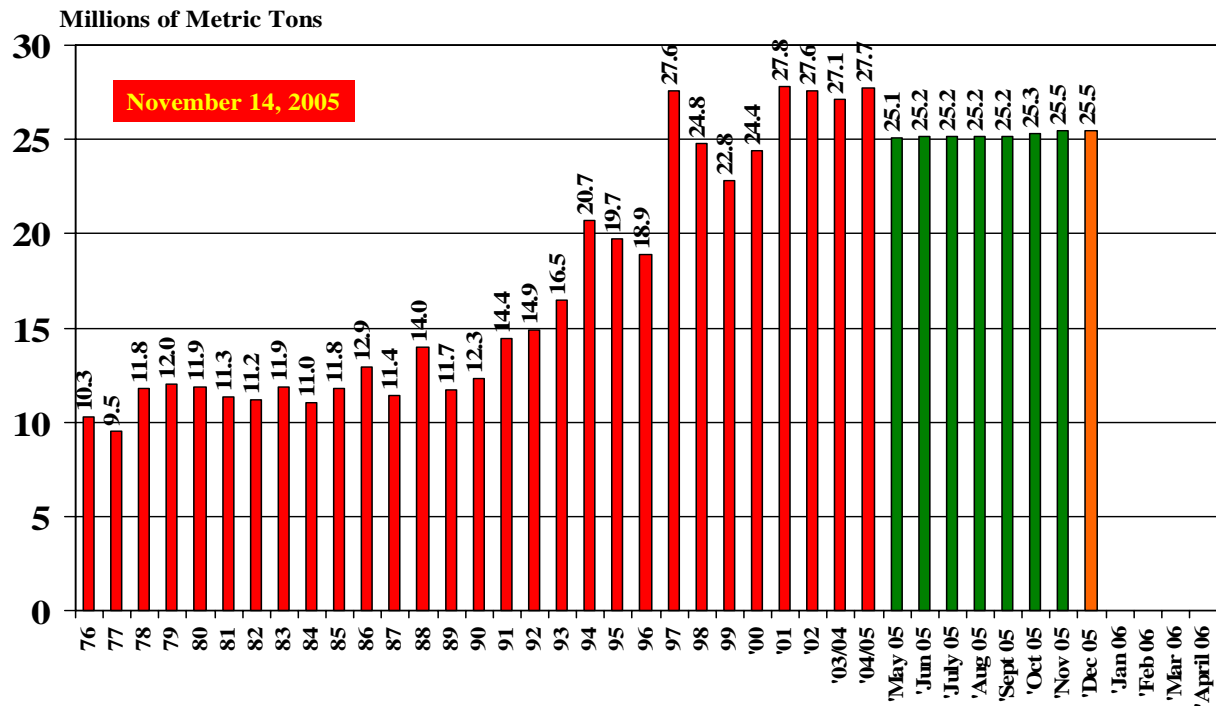
Source: [USDA Foreign Agricultural Service, Grain: World Markets and Trade](#)

## World Rice Milled Production 1976/77 – 2005/06



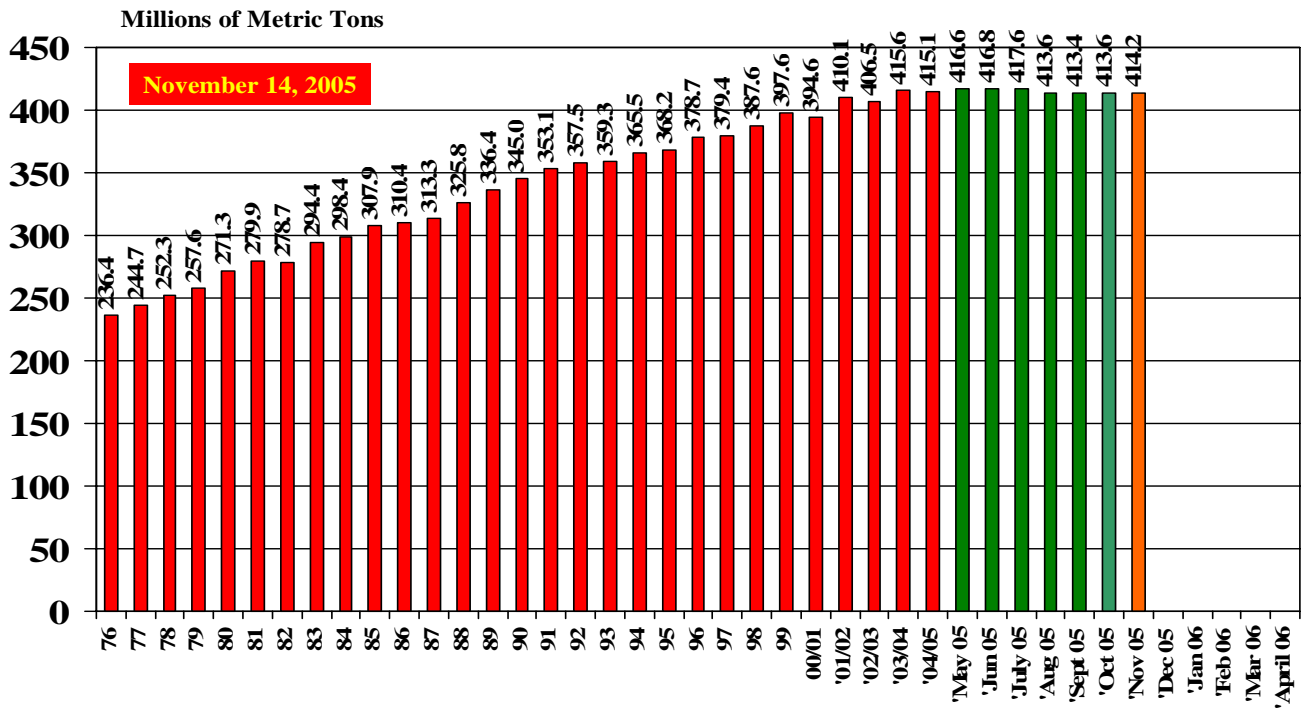
Source: USDA Foreign Agricultural Service, Grain: World Markets and Trade

## World Rice Trade 1976/77 – 2005/06



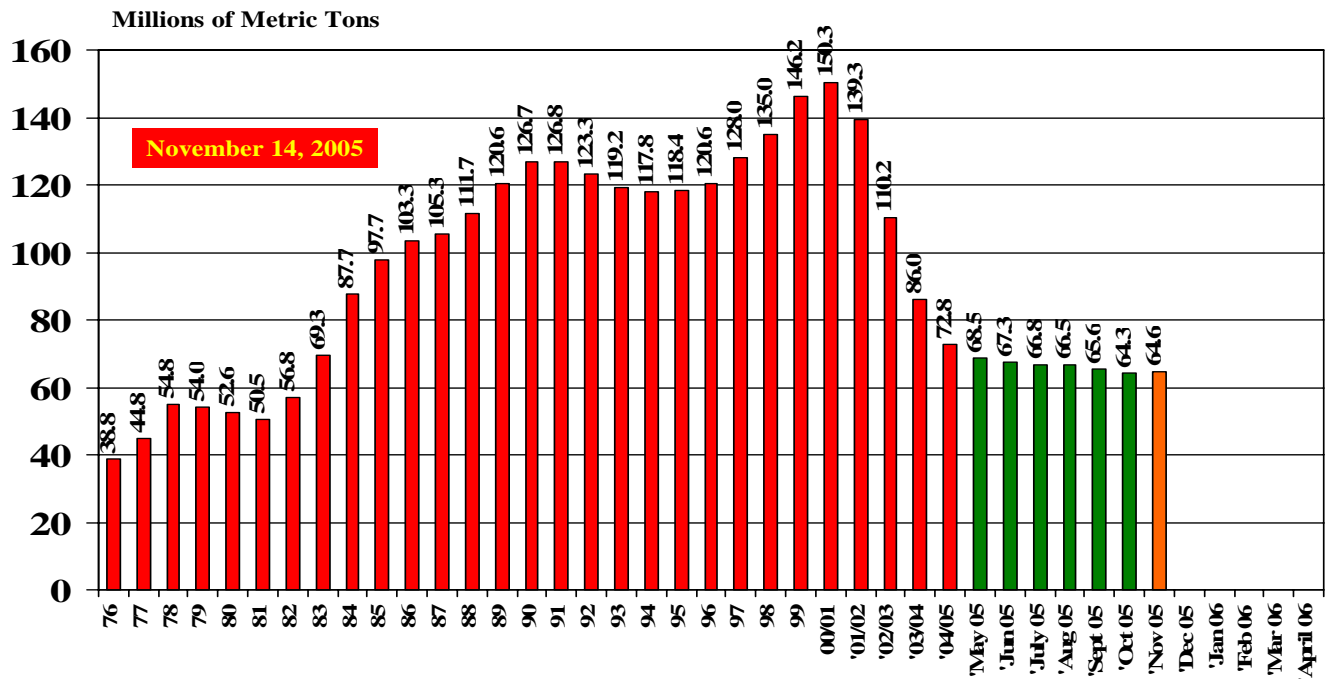
Source: USDA Foreign Agricultural Service, Grain: World Markets and Trade

## World Rice Total Use 1976/77 – 2005/06



Source: USDA Foreign Agricultural Service, Grain: World Markets and Trade

## World Rice Ending Stocks 1976/77 – 2005/06



Source: USDA Foreign Agricultural Service, Grain: World Markets and Trade