

**Rice Graphics and Commentary**

**April 17, 2006**

**By**

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**University of Arkansas Cooperative Extension Service**

USDA's March 31, 2006 Prospective Planting Report had no real surprises for U.S. long grain rice acreage. All long grain rice-producing states are expecting a decrease in acreage from 2005.

What has been a little surprising is the new crop rice price weakness. My expectation is that without one additional pricing opportunity before planting season ends, I expect long grain planted acreage to be below USDA's projection.

Reality is that cash-flowing our good rice farms will be problematic this production season due to production cost increases from energy inputs and lingering drought impacts. Cash-flowing other rice operations will require the market to provide a market price that reflects the producers' cost of production.

I still expect the larger trend in new crop rice prices to continue upward, due to global commodity price strength and 2006 planting uncertainty. This will have us patiently waiting for USDA's June 30, 2006 planting report. It is not apparent to me that this market fully recognizes the financial stress that is being felt by rice producers. That said, selling a record old crop into the export market becomes increasingly difficult given strong U.S. export prices. The outcome may be fewer than projected 2006 long grain rice acres and pricing opportunities later in the year.

U.S. long grain intended acreage of 2.31-million acres represents 78 percent of the U.S. rice acreage. U.S. long grain rice acreage is projected down 16 percent from last year's 2.751-million acres. U.S. rice farmers have averaged planting 2.069-million acres since 1972, 2.304-million acres since 1986, 2.408-million acres since 1991, 2.476-million acres since 1996 and 2.584-million acres since 2001.

Arkansas long grain rice farmers indicate they intend to plant 1.3 million acres of long grain rice, which is down 16 percent from last years 1.54 million long grain acres. Arkansas rice farmers have averaged planting 1.041-million acres since 1972, 1.196-million acres since 1986, 1.257-million acres since 1991, 1.297-million acres since 1996 and 1.415-million acres since 2001.

Total U.S. all rice area intended for rice in 2006 is estimated at 2.972 million acres, down 12 percent from 2005 and down 11 percent from 2004. USDA indicates that growers in California intend to plant 550,000 acres, up 4 percent from last year.

On a monthly basis USDA continues to raise U.S. long grain ending stocks. In December 2005 ending stocks were 18.6 million cwt, in January 2006 19.6 million cwt, in February 20.1 million cwt, in March 22.4 million cwt, and April's estimate was 22.9 million cwt. The current 2005/06 ending stocks projection of 22.9 million cwt is the second largest since 1986.

U.S. all rice imports for 2005/06 are forecast at a record 15.25 million cwt. This is .75 million cwt above USDA's March estimated and 2 million cwt above the last marketing period. USDA indicates that the pace of the long grain and combined medium and short grain imports through the first half of the marketing year have been higher than expected.

USDA's data shows U.S. long grain rice prices #2/4 currently quoted at \$373 per ton, FOB; Thai prices are down \$3 from March to \$306 per ton, FOB mainly due to currency fluctuations; and Vietnam prices are down \$8 from March to \$243 per ton, FOB. USDA raised exports for India, Thailand, and Cambodia.

Thai rice prices continue to improve. In milled metric tons, they are as follows:

2000/01	\$184 milled metric ton
2001/02	\$192
2002/03	\$199
2003/04	\$220
2004/05	\$278
August 2005	\$288
September 2005	\$291
October 2005	\$292
November 2005	\$283
December 2005	\$286
January 2006	\$296
February 2006	\$307
March 2006	\$309
April 2006	\$306

Vietnam rice prices in milled metric tons are as follows:

2000/01	\$165
2001/02	\$185
2002/03	\$182
2003/04	\$210
2004/05	\$243
August 2005	\$255
September 2005	\$255
October 2005	\$264
November 2005	\$NQ
December 2005	\$NQ
January 2006	\$263
February 2006	\$262
March 2006	\$251
April 2006	\$243

Southern Long Grain rice prices in milled metric tons are as follows:

2000/01	\$290
2001/02	\$222
2002/03	\$238
2003/04	\$375
2004/05	\$327
August 2005	\$293
September 2005	\$307
October 2005	\$318
November 2005	\$323
December 2005	\$335
January 2006	\$358
February 2006	\$369
March 2006	\$368
April 2006	\$373

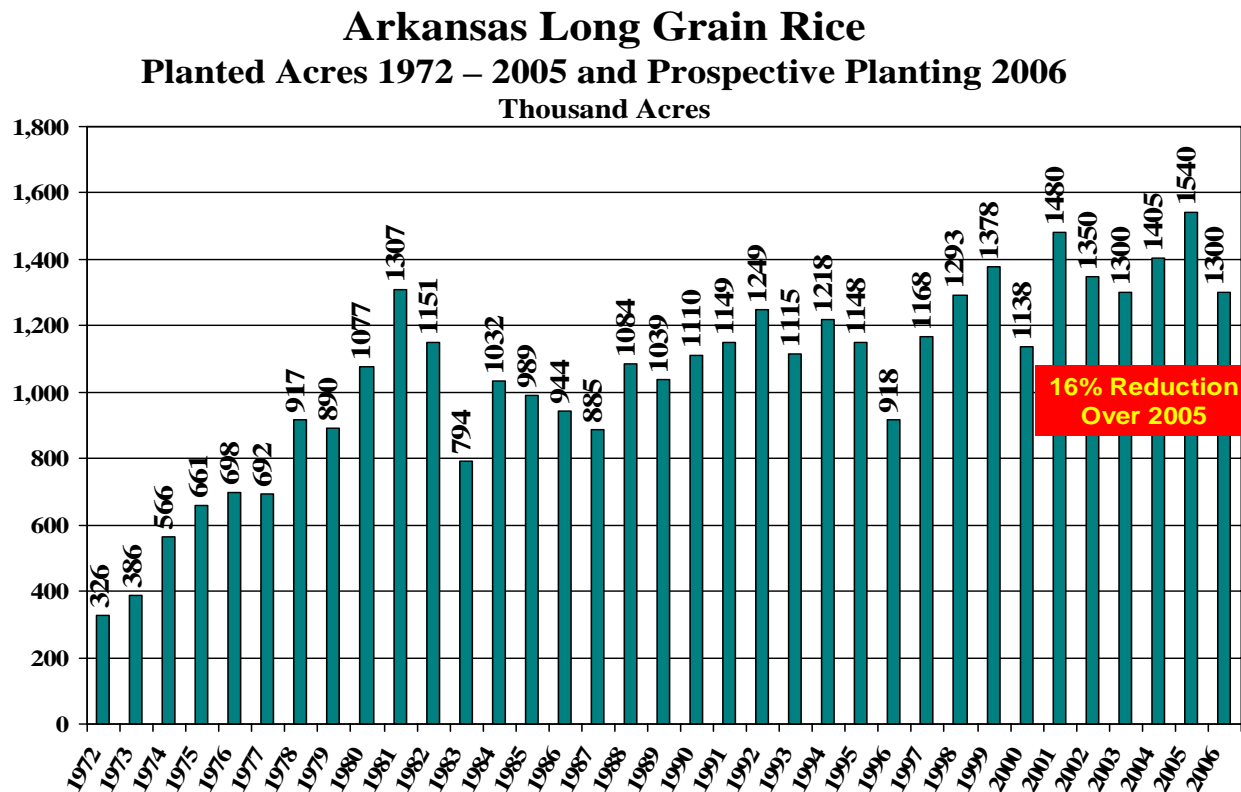
Southern Long Grain rough rice prices in metric tons are as follows:

2000/01	\$157
2001/02	\$107
2002/03	\$123
2003/04	\$206

2004/05	\$176
August 2005	\$157
September 2005	\$165
October 2005	\$176
November 2005	\$183
December 2005	\$188
January 2006	\$201
February 2006	\$205
March 2006	\$205
April 2006	\$205

My expectation is for the larger trend in new crop rice prices to continue upward, due to global commodity price strength and continued 2006 planting uncertainty.

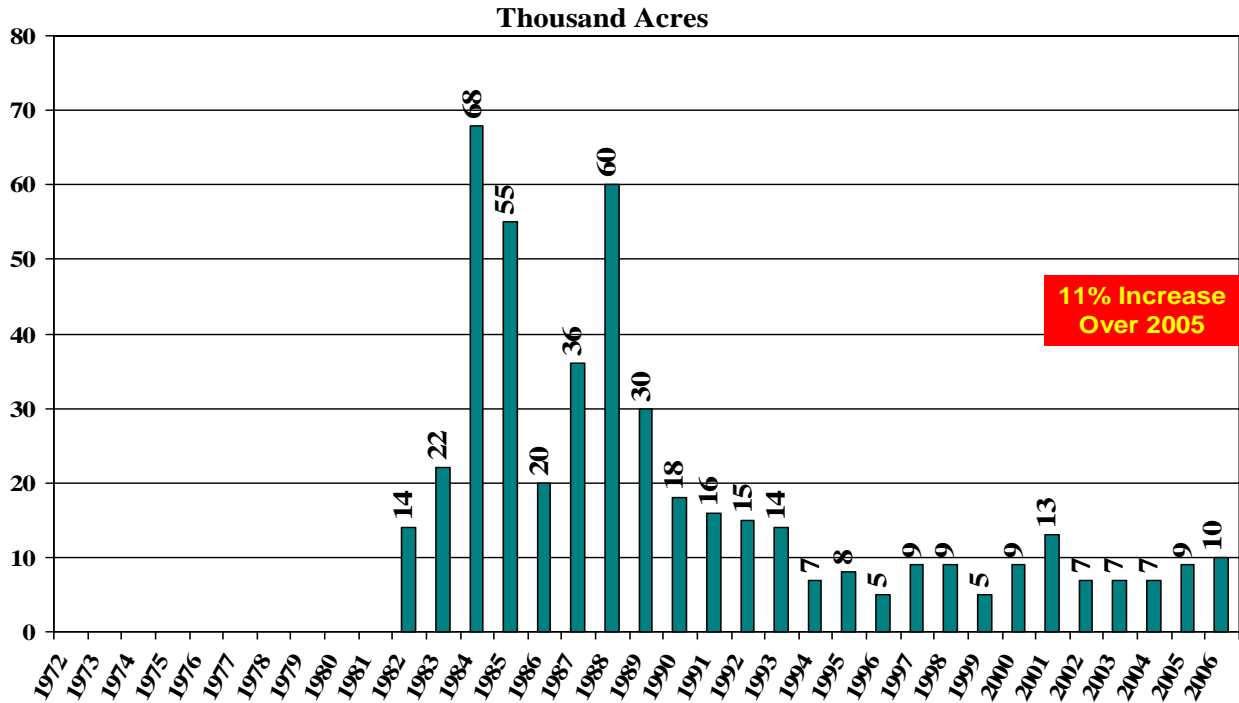
Source: [NASS/USDA Data Set](#), [World Agricultural Supply and Demand Estimates](#), [Rice Outlook Report](#), and [Grains: World Markets and Trade](#)



Source: NASS/USDA Data Set

## California Long Grain Rice

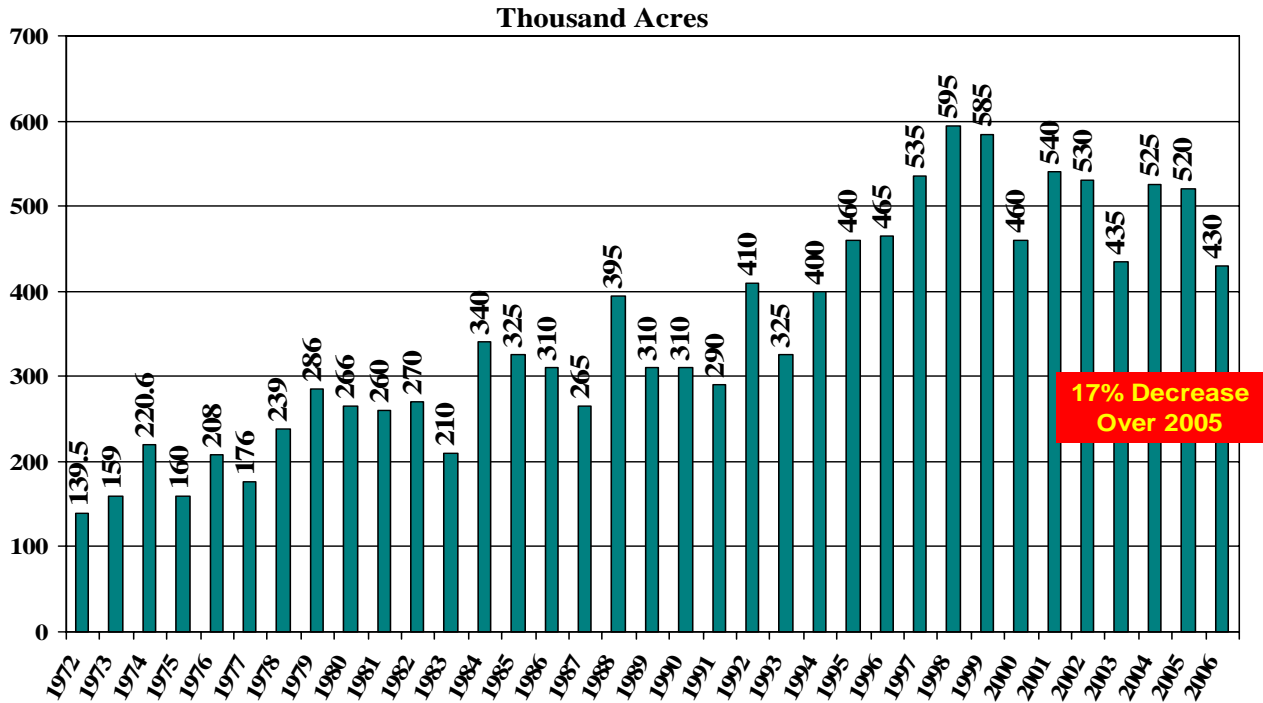
### Planted Acres 1972 – 2005 and Prospective Planting 2006



Source: NASS/USDA Data Set

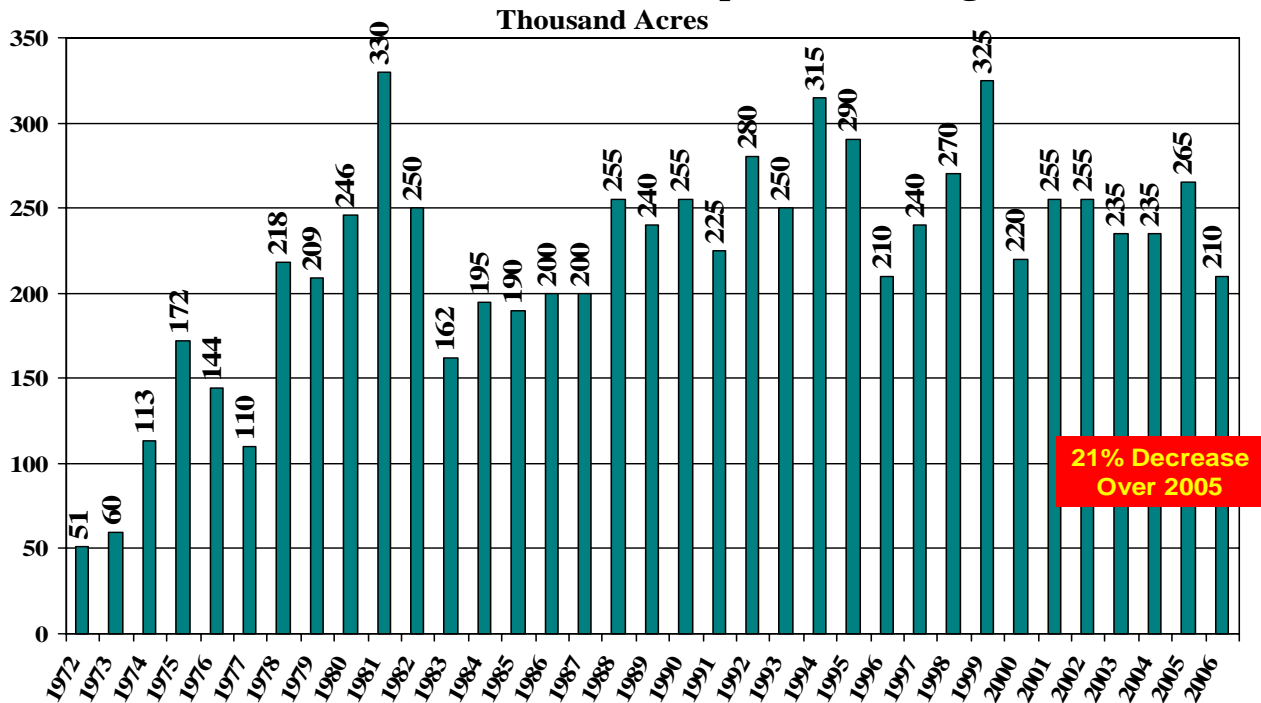
## Louisiana Long Grain Rice

### Planted Acres 1972 – 2005 and Prospective Planting 2006



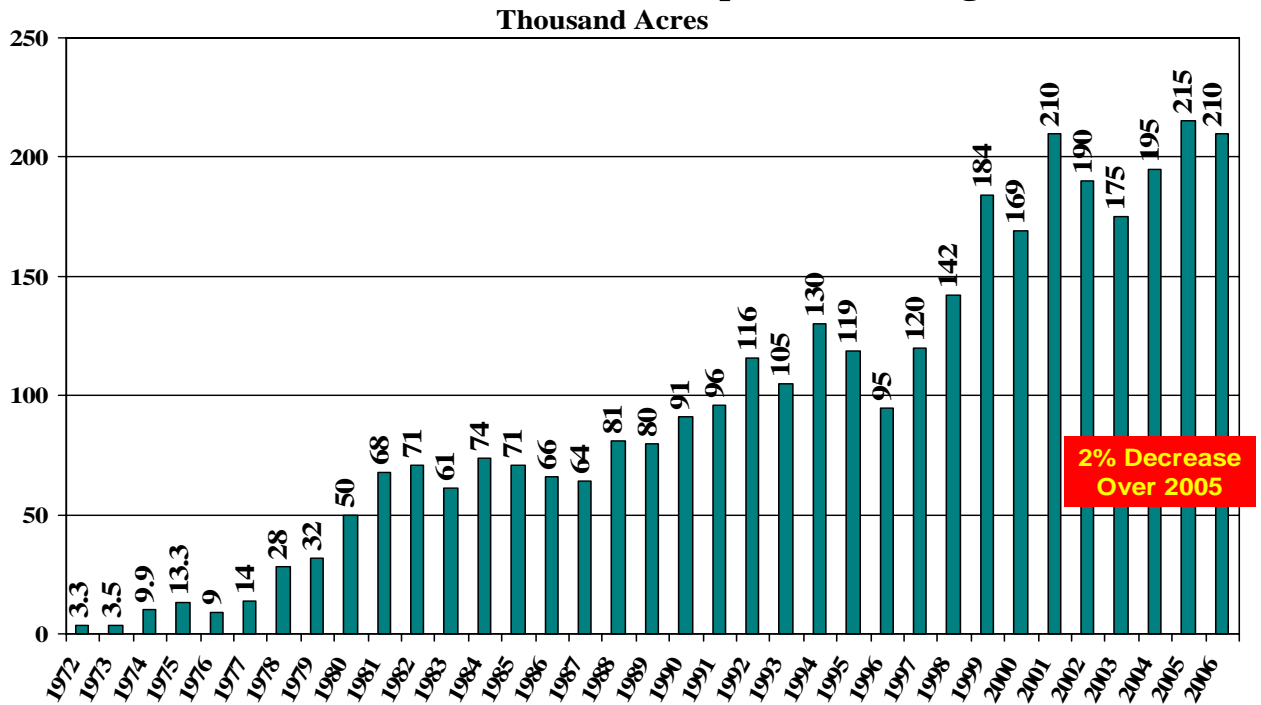
Source: NASS/USDA Data Set

## Mississippi Long Grain Rice Planted Acres 1972 – 2005 and Prospective Planting 2006



Source: NASS/USDA Data Set

## Missouri Long Grain Rice Planted Acres 1972 – 2005 and Prospective Planting 2006

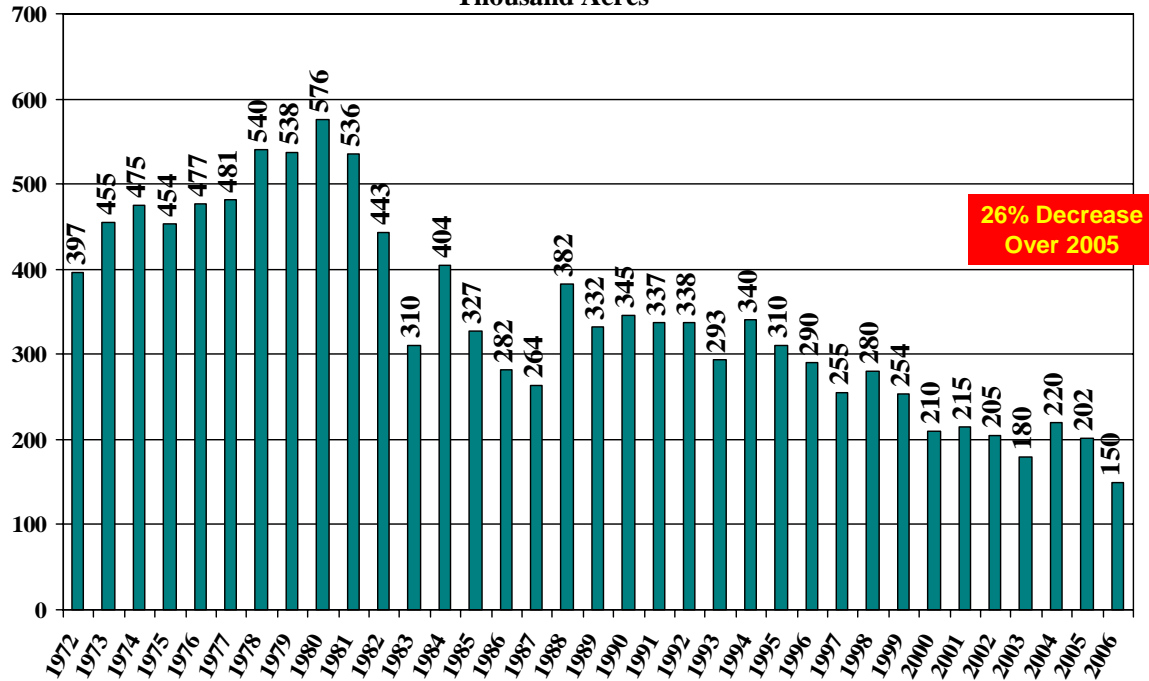


Source: NASS/USDA Data Set

## Texas Long Grain Rice

### Planted Acres 1972 – 2005 and Prospective Planting 2006

Thousand Acres

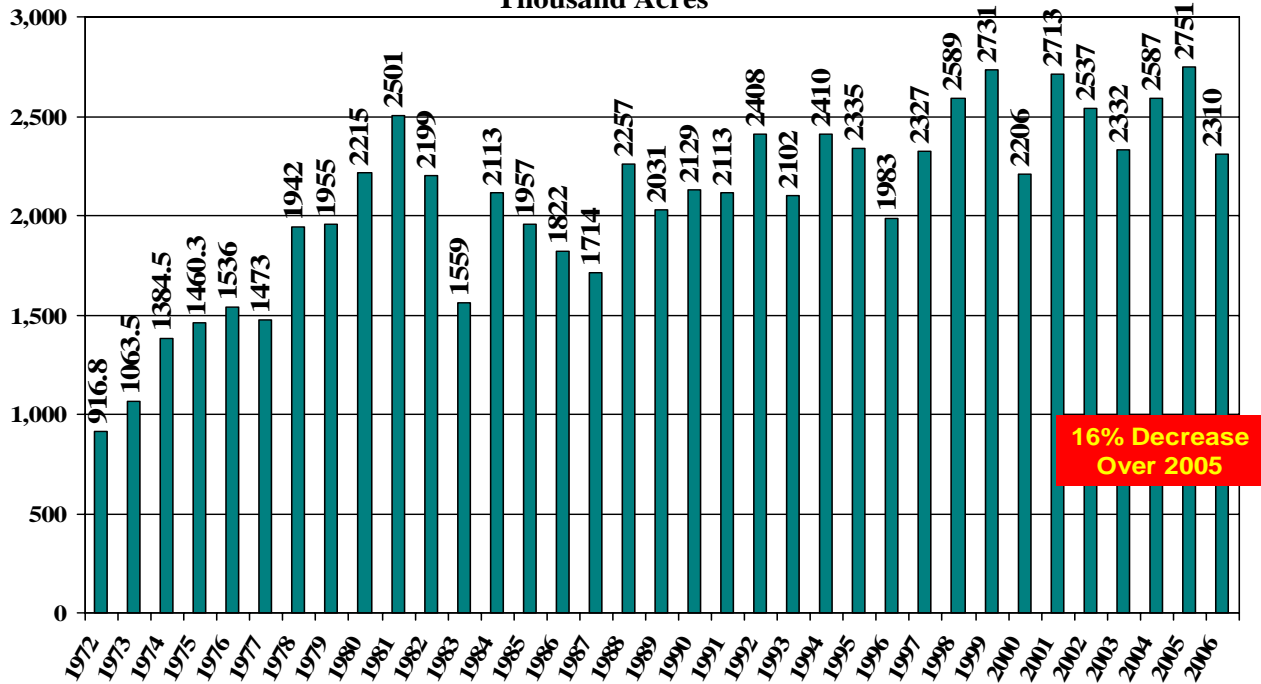


Source: NASS/USDA Data Set

## United States Long Grain Rice

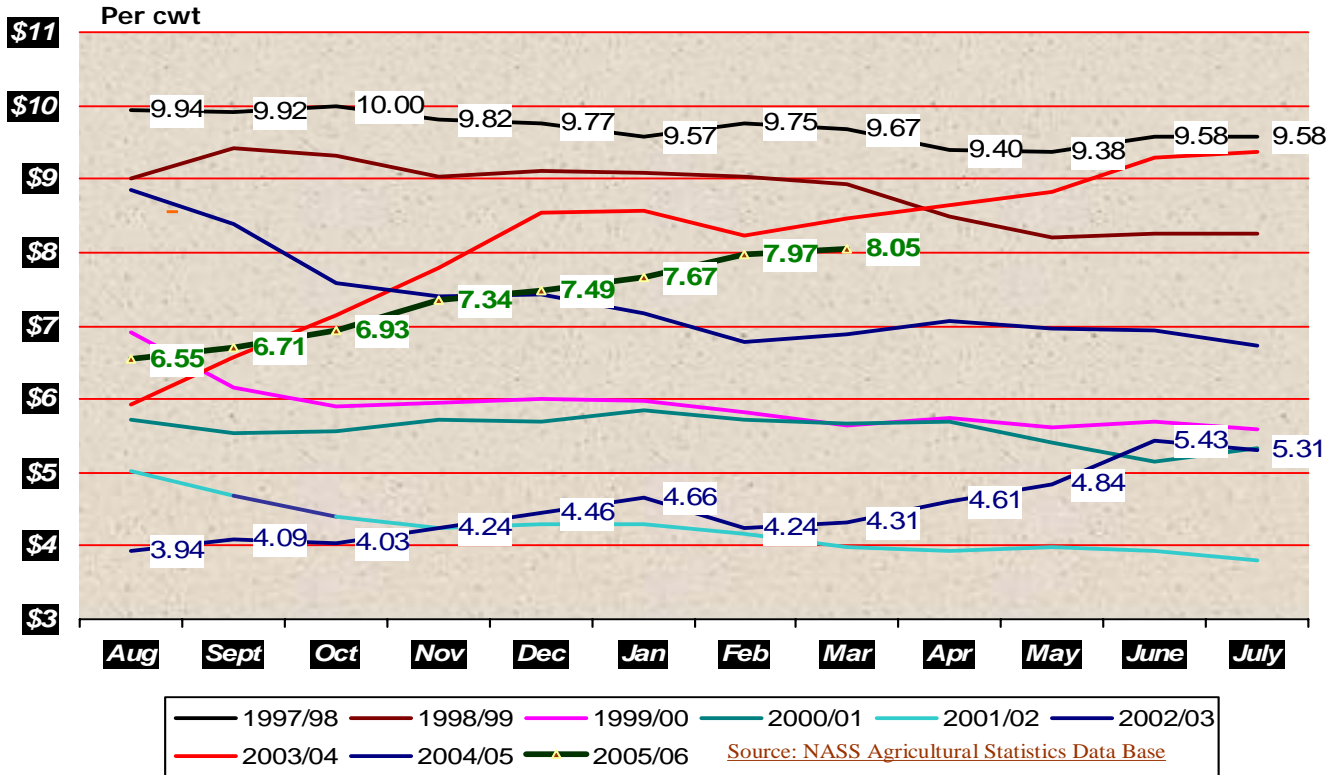
### Planted Acres 1972 – 2005 and Prospective Planting 2006

Thousand Acres

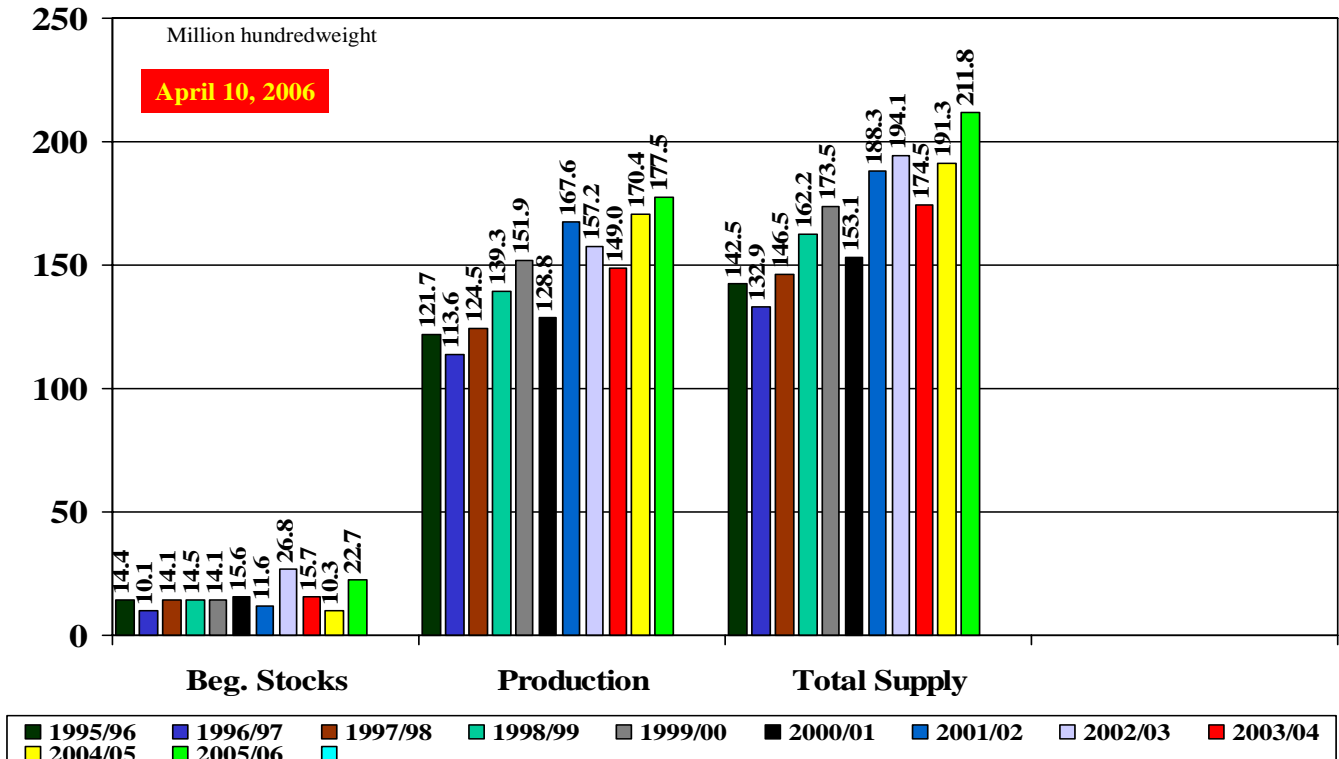


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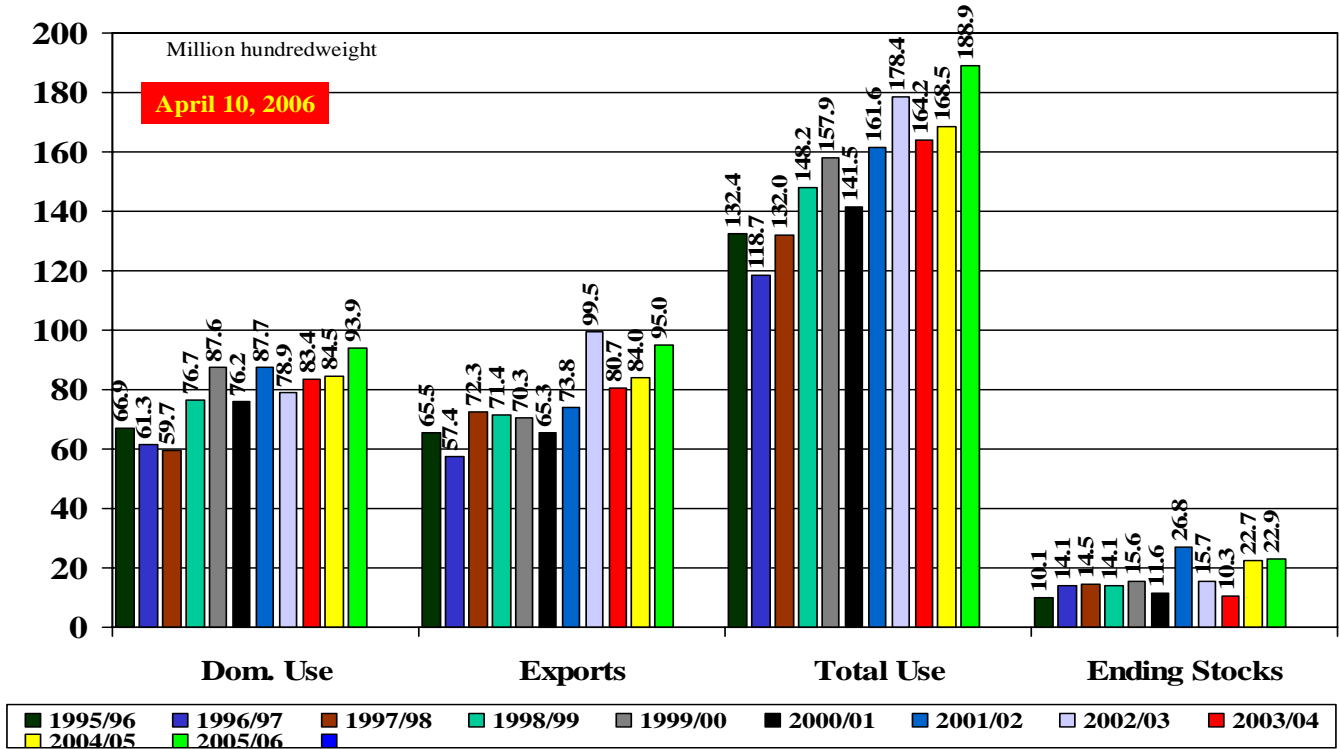
## U.S. All Rice: Monthly Prices Received Marketing Period 1997/98 – 2005/06



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

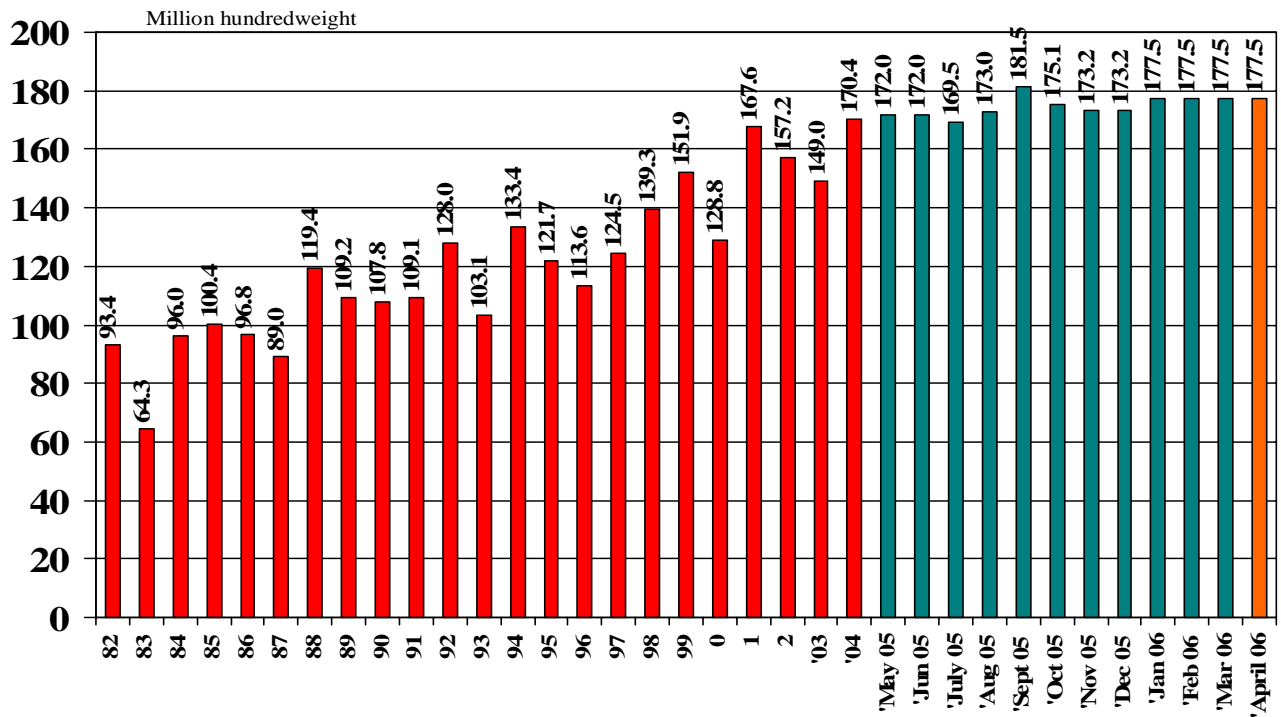


## U.S. Long Grain Rice Use and Ending Stocks 1995/96 – 2005/06



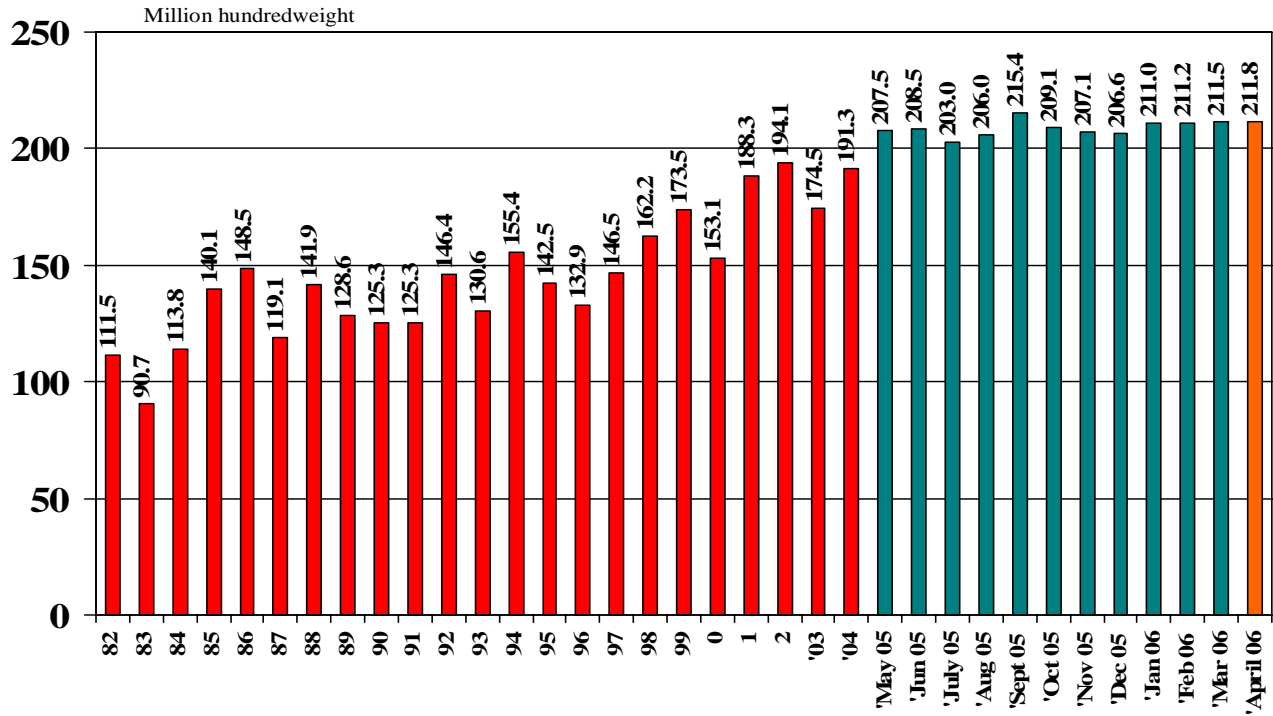
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



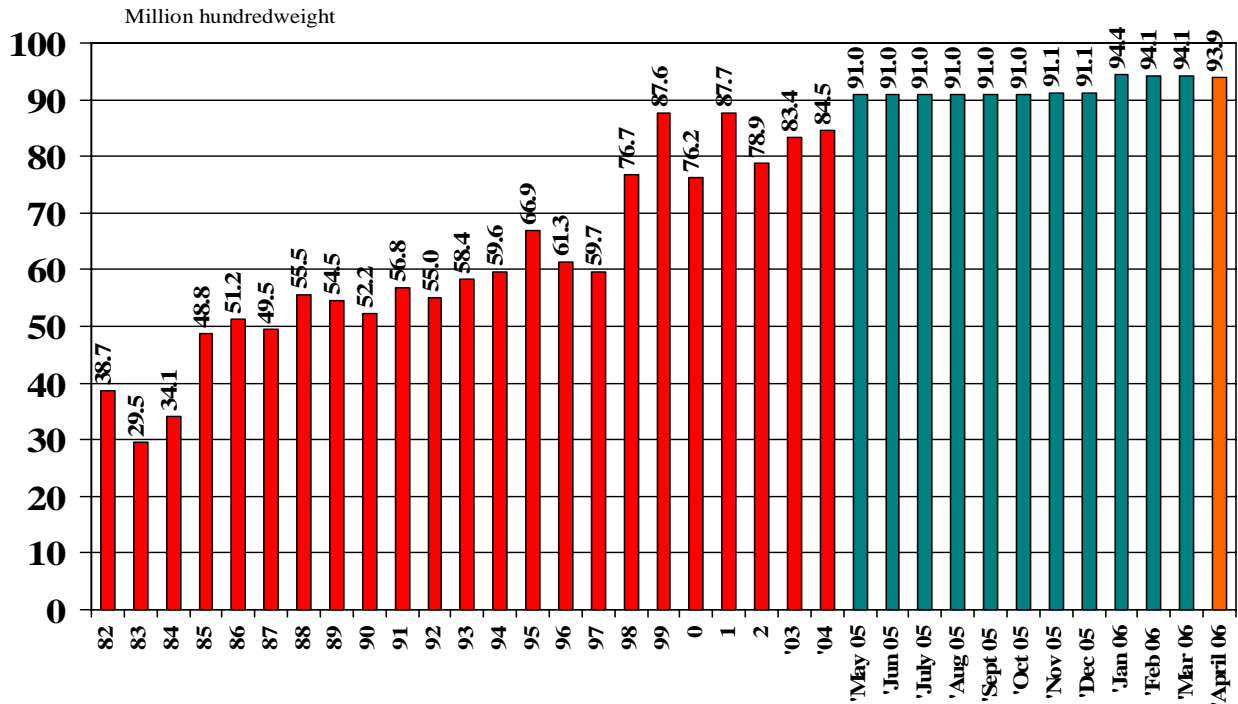
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



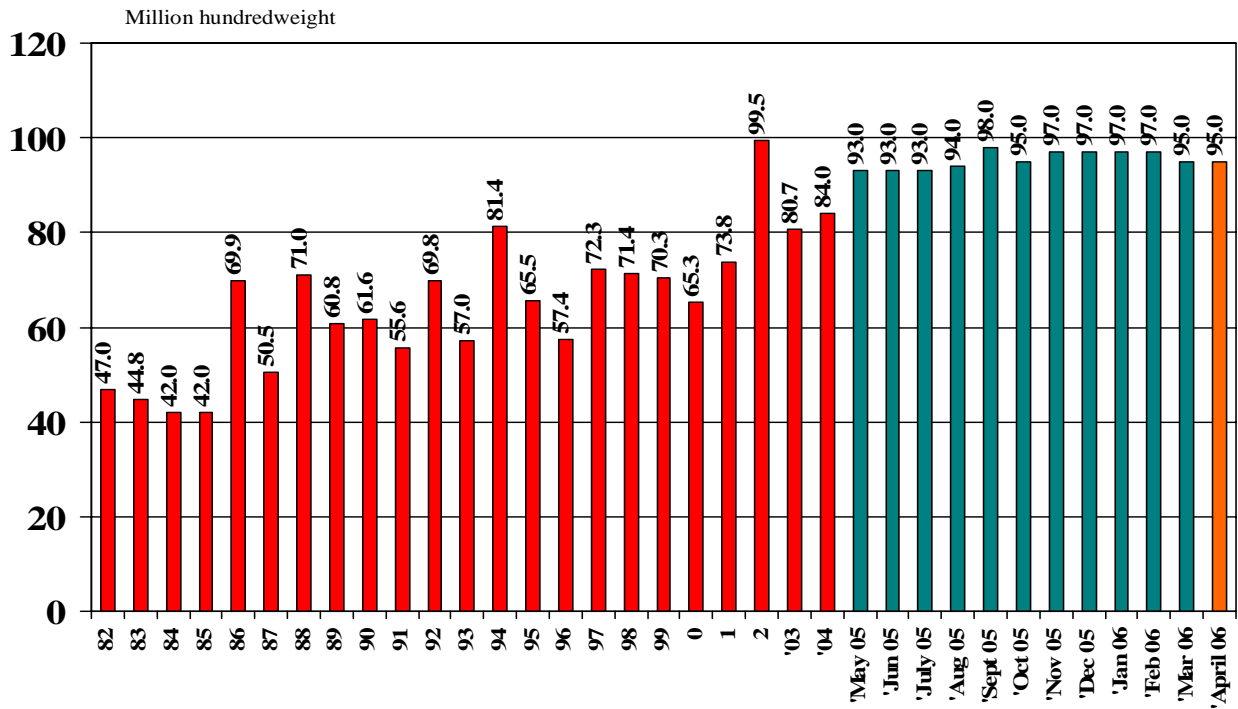
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



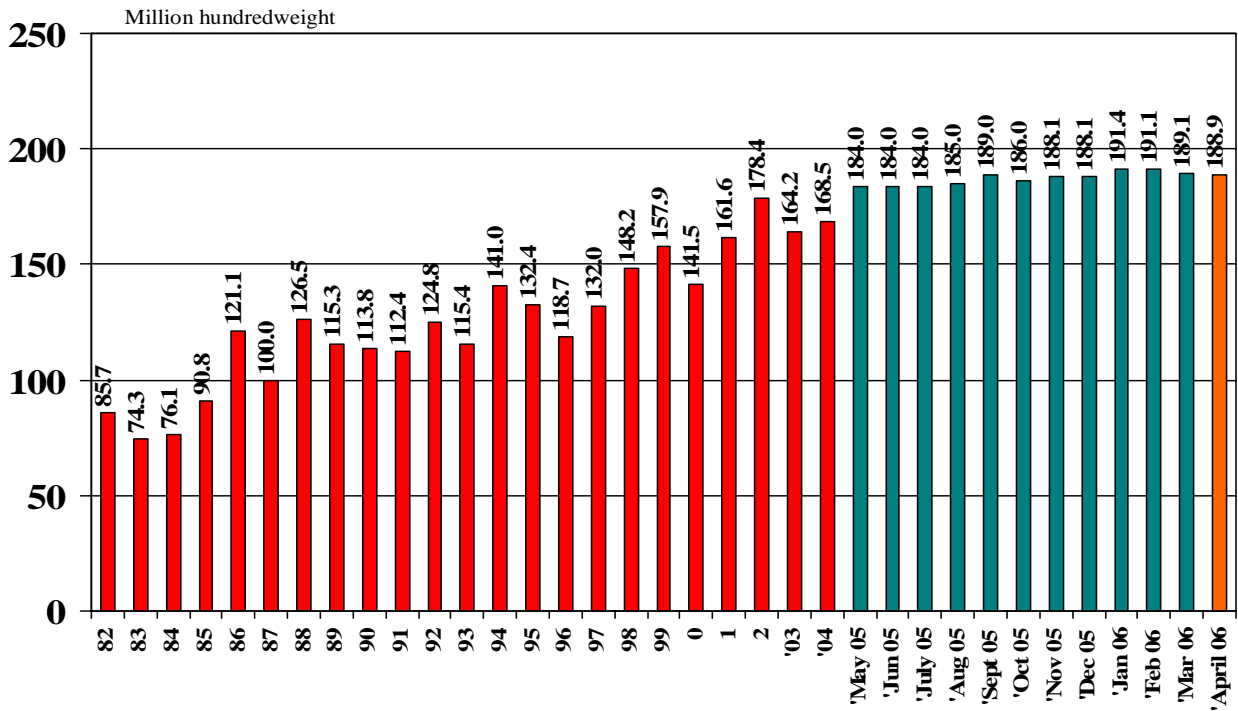
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



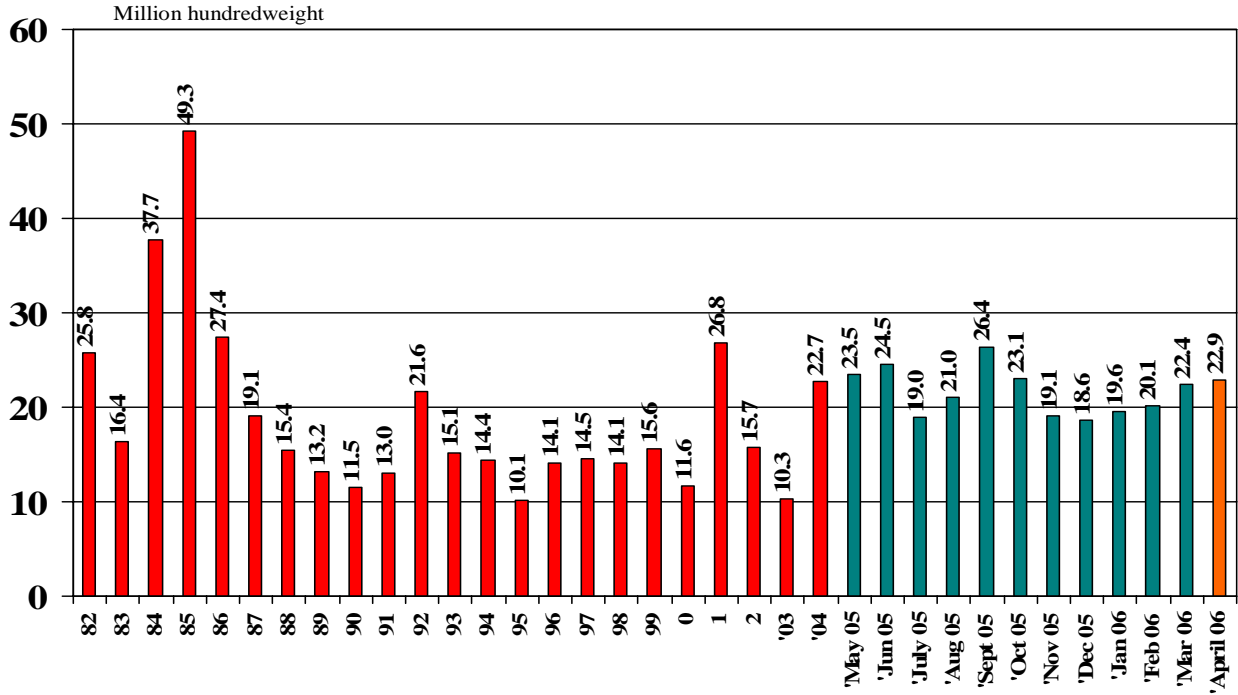
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



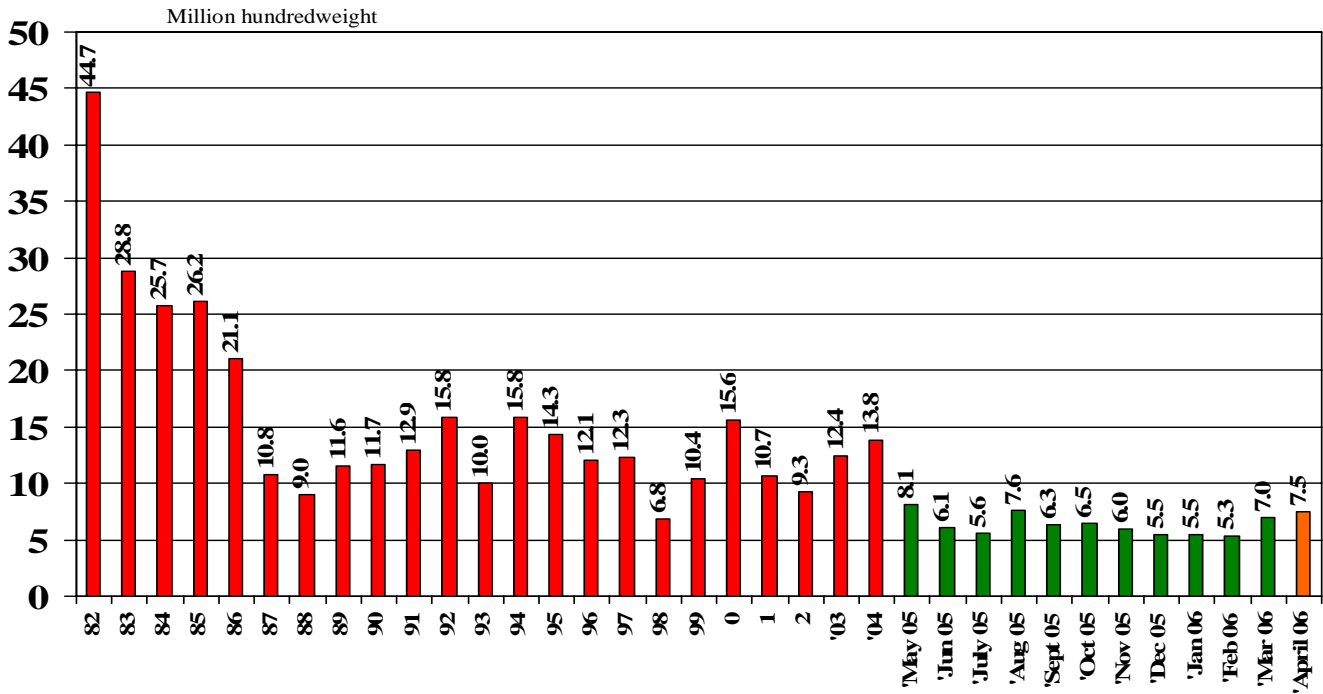
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



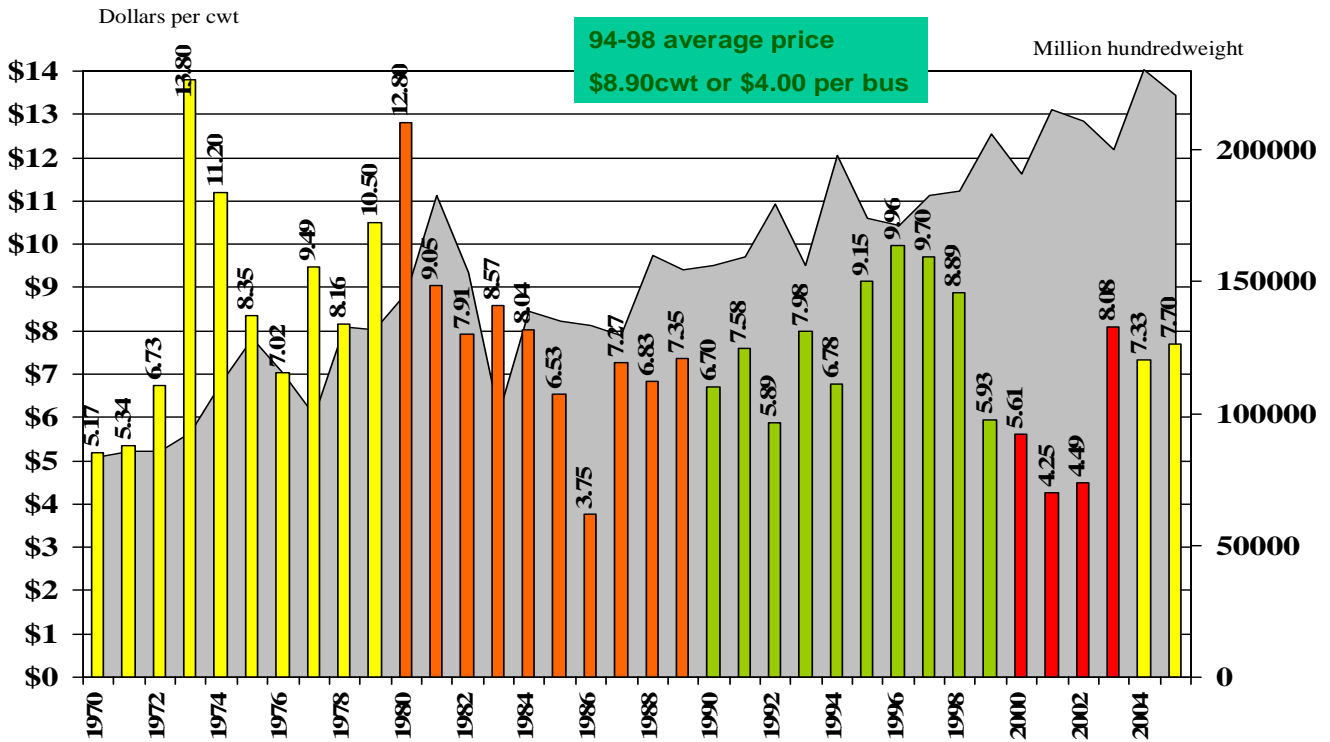
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Medium and Short Grain **Ending Stocks** 1982/83 – 2005/06

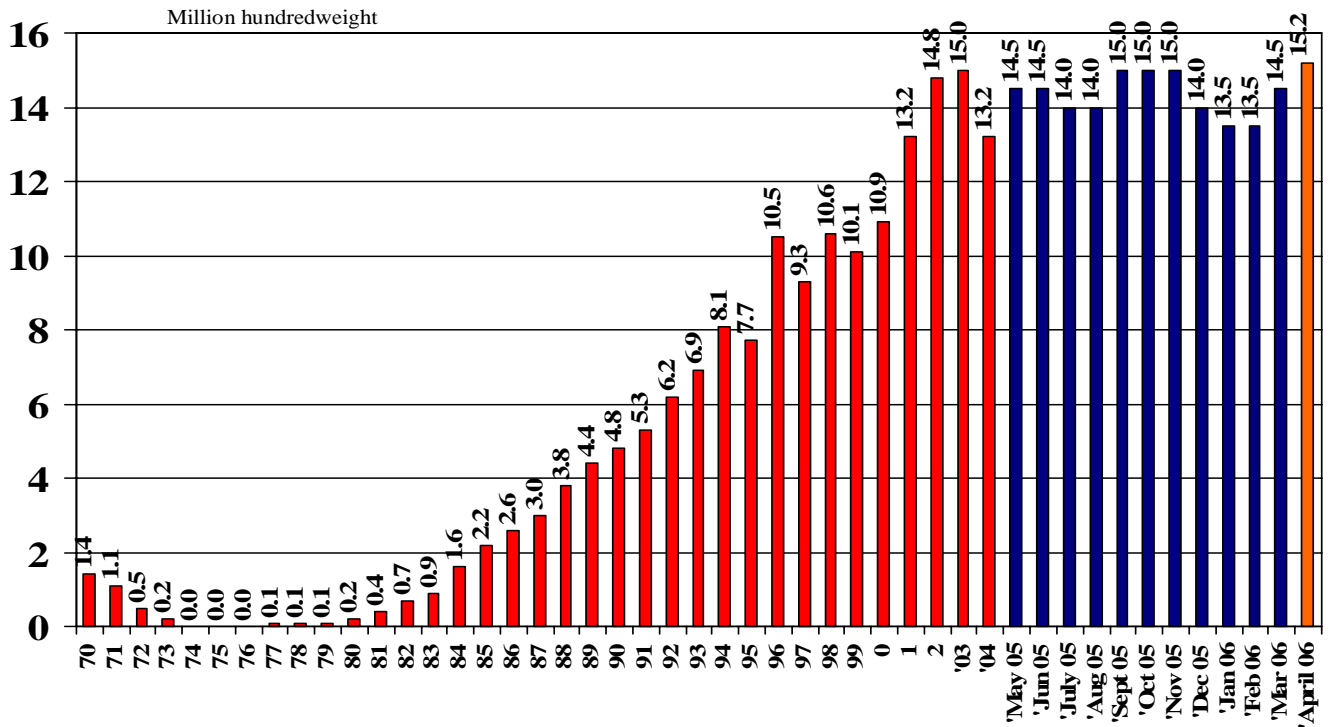


Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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

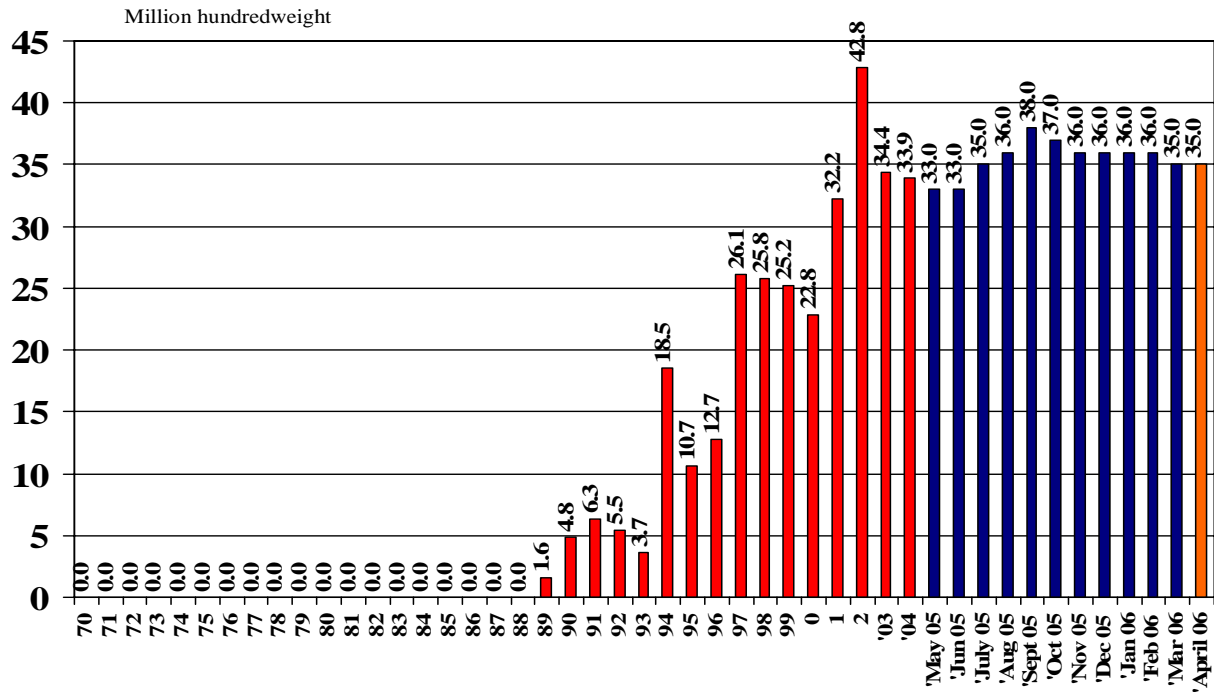


## U.S. All Rice Imports 1970/71 – 2005/06



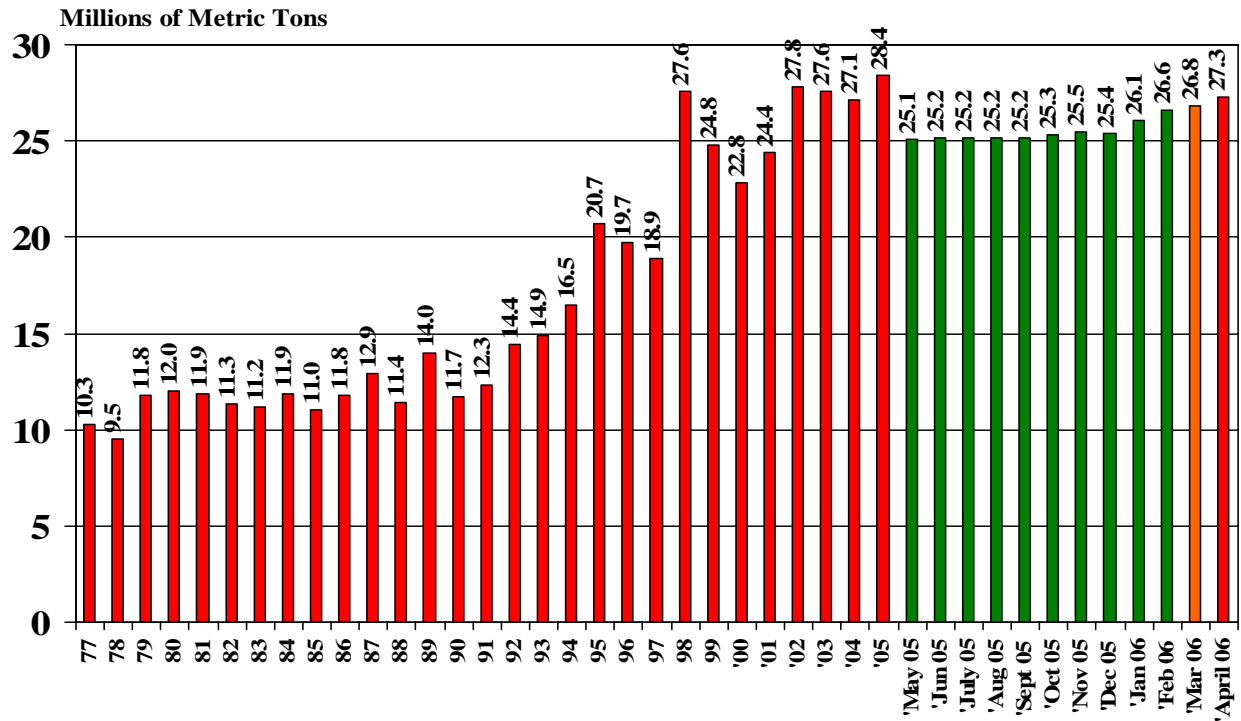
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. All Rice Rough Exports 1970/71 – 2005/06



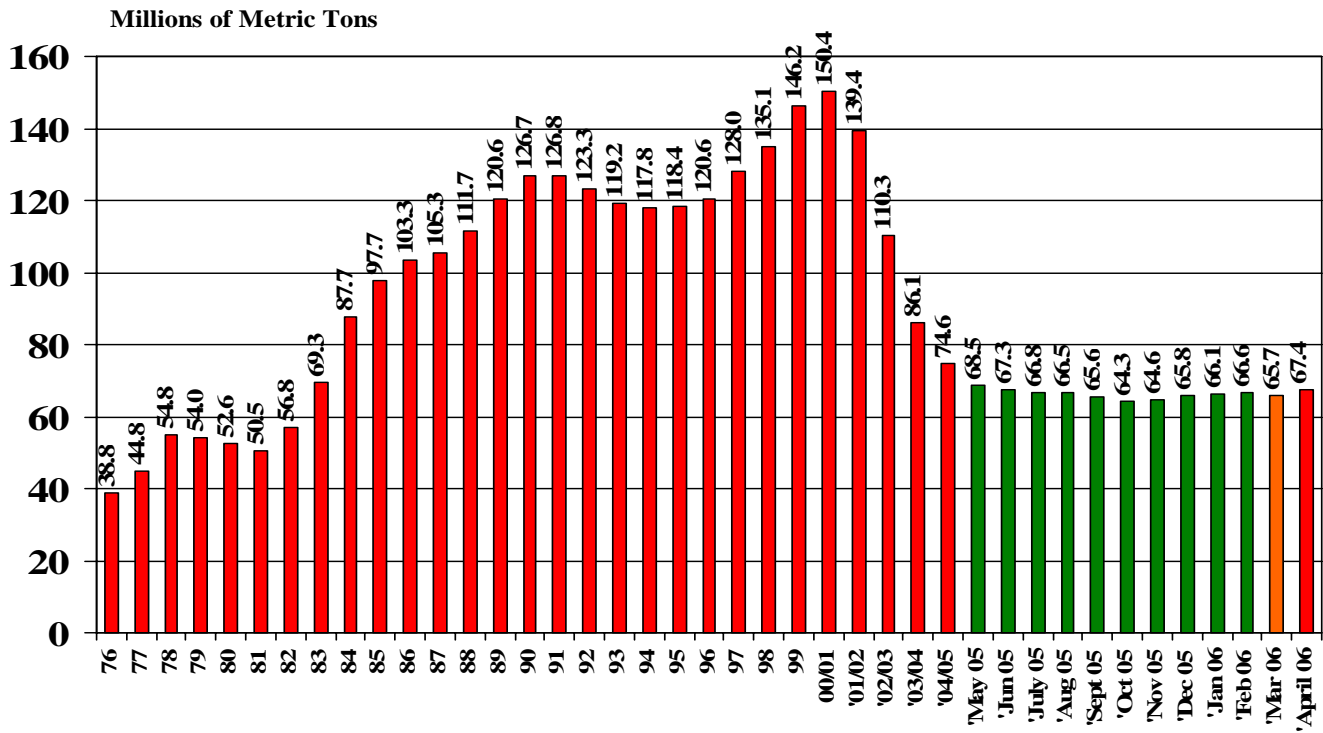
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## World Rice Trade Calendar Year 1977 – 2006



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](#)