

**Rice Graphics and Commentary**

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**By**

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In their September release USDA forecasts U.S. long grain rice producers to produce a record 181.5 million cwt. By any measure that is a tremendous crop. In 2000 U.S. long grain rice producers produced 129 million cwt, 2001 168 million cwt, 2002 157 million cwt, 2003 149 million cwt, and 2004 169 million cwt.

Total U.S. long grain supply is projected to be a record 215 million cwt. or 14% above last year and 23% above 2003/04. Long grain imports are at a record 11.3 million cwt, 7% higher than the past marketing period and 28% higher than 2000/01.

Even with 2005/06 near record long grain exports of 98 million cwt total ending stocks are projected to be the second largest since 1986 at 26.4 million cwt. Total ending stocks were 11.6 million cwt in 200/01, 26.8 million cwt in 2001/02, 15.7 million cwt in 2002/03, 10.3 million cwt in 2003/04, and 22.7 million cwt in 2004/05.

2005 U.S. medium grain production is projected to be lowest since 1998 at 46.9 million cwt and a total supply of 64.4 million cwt is the lowest since 1999. Total 2005/06 medium grain exports of 23 million cwt are below last years 27.5 million cwt but up compared to 1997 and 1998's 15.4, 1999's 18.6, 2000's 17.9 and 2003's 22.3. 2005/06 ending stocks are the lowest since USDA started keeping medium grain records in 1982.

U.S. all rice production in 2005/06 is projected to be the second largest on record at 228.3 million cwt. Harvested area is projected to be the third largest on record at 3.34 million acres. Harvested acreage was larger in 1981 with 3.79 million acres and 1999 with 3.51 million acres. The average all rice yield is estimated at 6,830 pounds per acre or 152 bushels per acre, which is the second largest on record but below last years 6942 pounds or 154 bushels per acre. In their September forecast USDA raised rough rice exports by 2 million cwt, while combined milled and brown rice exports are lowered 2 million cwt. U.S. all rice ending stocks are projected at 33.9 million cwt. USDA's season-average all rice farm price is projected at \$7.25 to \$7.55 per cwt or \$3.26 to 3.40 per bushel.

Arkansas' rice producers are projected to produce 112.5 million cwt of all rice this year compared to 107 million cwt last year. California rice producers are forecast to produce an estimated 40 million cwt this year followed by Louisiana's 31 million cwt, Mississippi's 17 million cwt, Missouri's 14.4 million cwt, and Texas' 14.1 million cwt.

USDA makes some excellent points about the medium grain rice trade with medium grain trade defined as medium grain exports to significant medium grain markets of Japan, South Korea, Taiwan, Libya, Syria, Jordan, and Turkey. The medium grain market is experiencing unusual shifts in market share due to tight global supplies and moderate growth in import demand. They make the following points:

- ◆ Australia's rice crop – virtually all medium grain – is now estimated to be the smallest in over 30 years as severe drought and limited irrigation continue to plague production and limit exportable supplies.
- ◆ Global medium grain trade is up slightly year-to-year.
- ◆ The vast majority of trade is a direct result of World Trade Organization (WTO) import commitments (i.e., Japan, South Korea, and Taiwan) there is a small, yet significant, increase in import demand in some Middle East markets, such as Libya and Jordan.
- ◆ Australia is expected to try to maintain market share in the large WTO markets, its competitors – China, Egypt, and the United States – are picking up additional business in the smaller growth markets.
- ◆ In 2005, Egypt's exports are estimated to increase approximately 18 percent from 2004 and 50 percent from just a few years ago (2002) with more sales to the Middle East.

- ◆ The United States has benefited from Australia’s loss with larger exports to a handful of relatively small markets in the Middle East.”

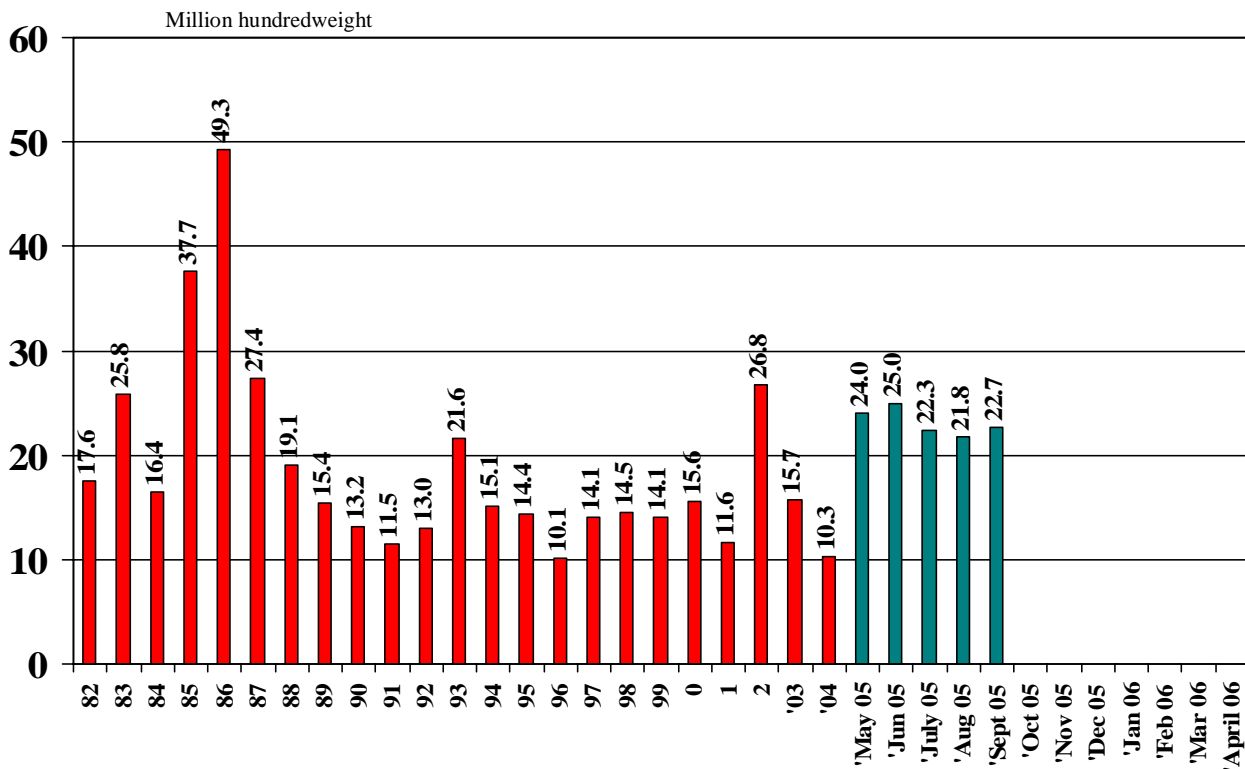
Global rice consumption still exceeds production. Global rice production for 2005/06 is projected at 405.6 million tons (milled basis), while global rice consumption in 2005/06 is projected at 413.4 million tons. Global ending stocks for 2005/06 are projected at 65.6 million tons, 11 percent below a year earlier, and making ending stocks the smallest since 1982/83. This is the fifth consecutive year of declining global ending stocks, with China accounting for most of the 5-year decline.

Global rice trade is down for the fourth consecutive year. For calendar year 2006 global rice trade is projected at 25 million tons (milled basis), 7% below 2005. USDA points out that on an annual basis, weaker exports from India, Vietnam, Egypt, China, and Pakistan are projected to more than offset larger shipments from the United States, Thailand, Uruguay, Argentina, and Australia.

USDA export prices for the early September are as follows:

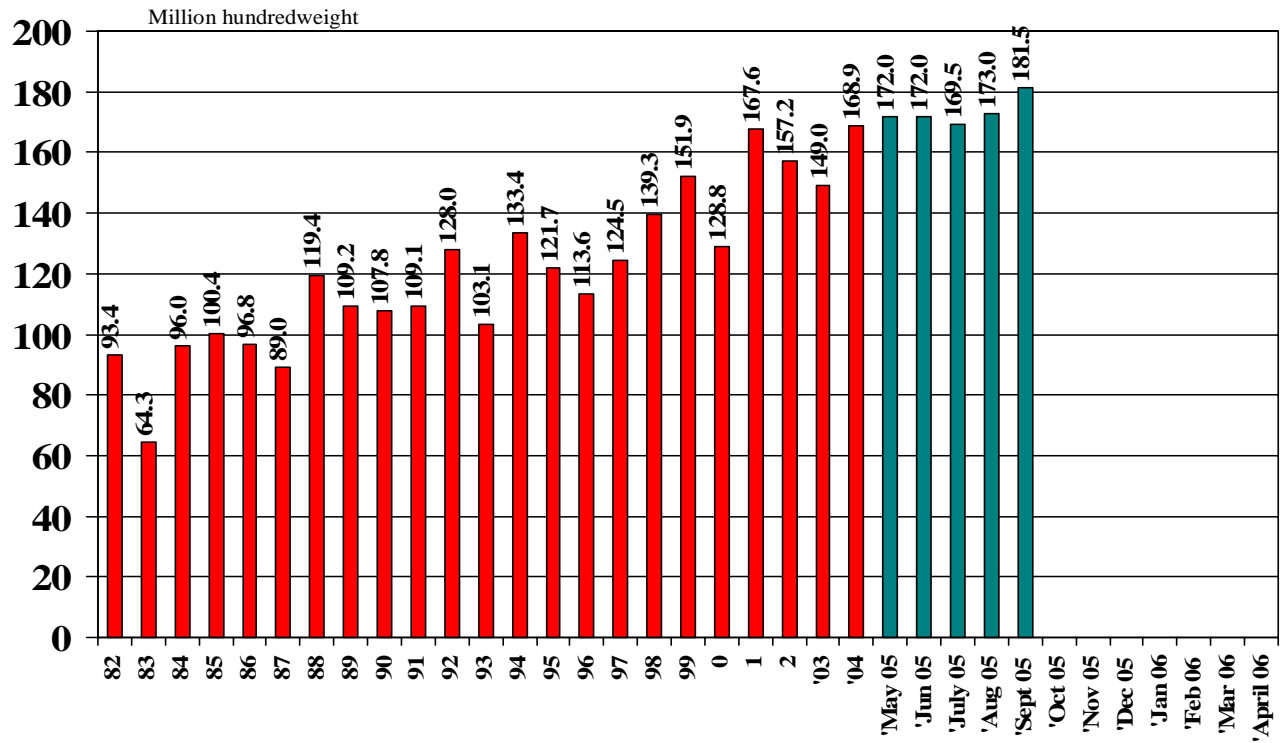
- ◆ Thailand's high-quality 100 percent Grade B (free on board vessel, Bangkok) milled rice for export were \$288 per ton.
- ◆ Vietnam's 5 percent brokens (free on board vessel, Ho Chi Minh City) were \$255 per ton.
- ◆ U.S. southern long grain rice (No. 2, 4 percent brokens, bagged, free on board, U.S. Gulf port) were \$295 per ton.
- ◆ U.S. long grain rough rice for export (bulk, free on board vessel at New Orleans, Louisiana) were \$165 per ton. Source: [NASS/USDA Data Set](#), [World Agricultural Supply and Demand Estimates](#), [Rice Outlook Report](#), and [Grains: World Markets and Trade](#)

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



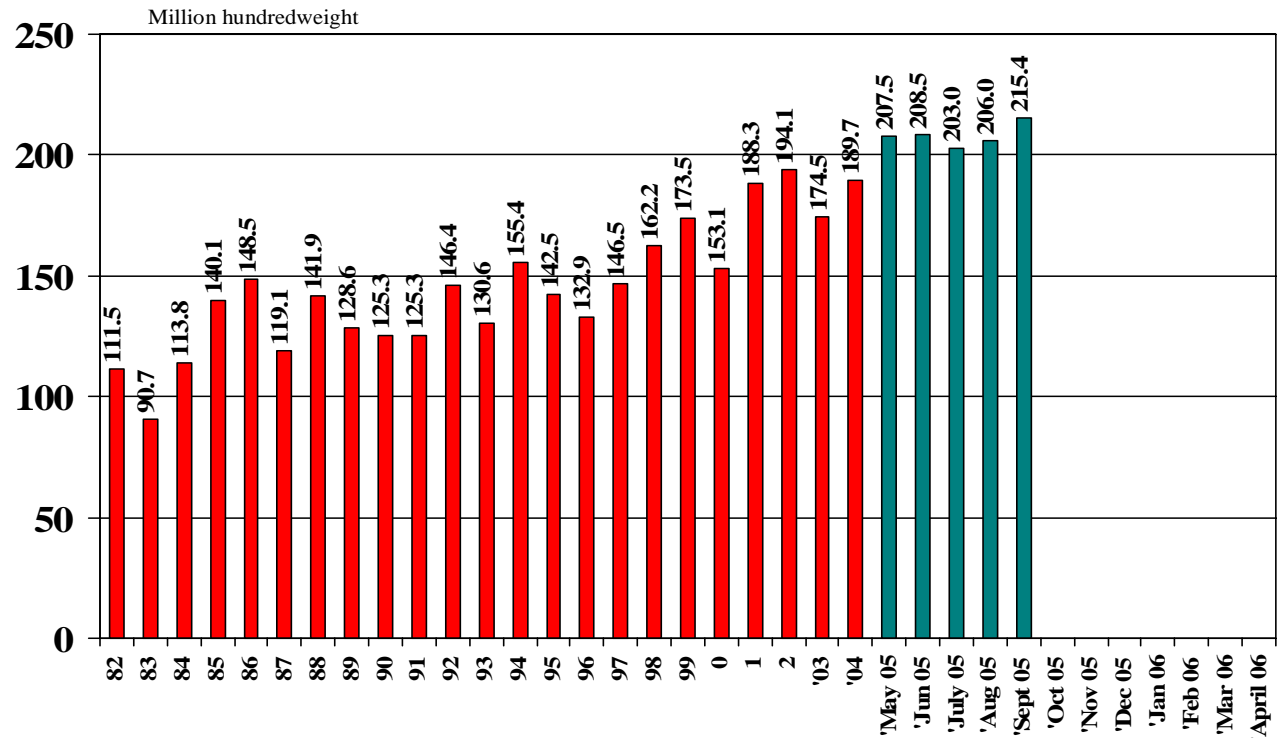
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



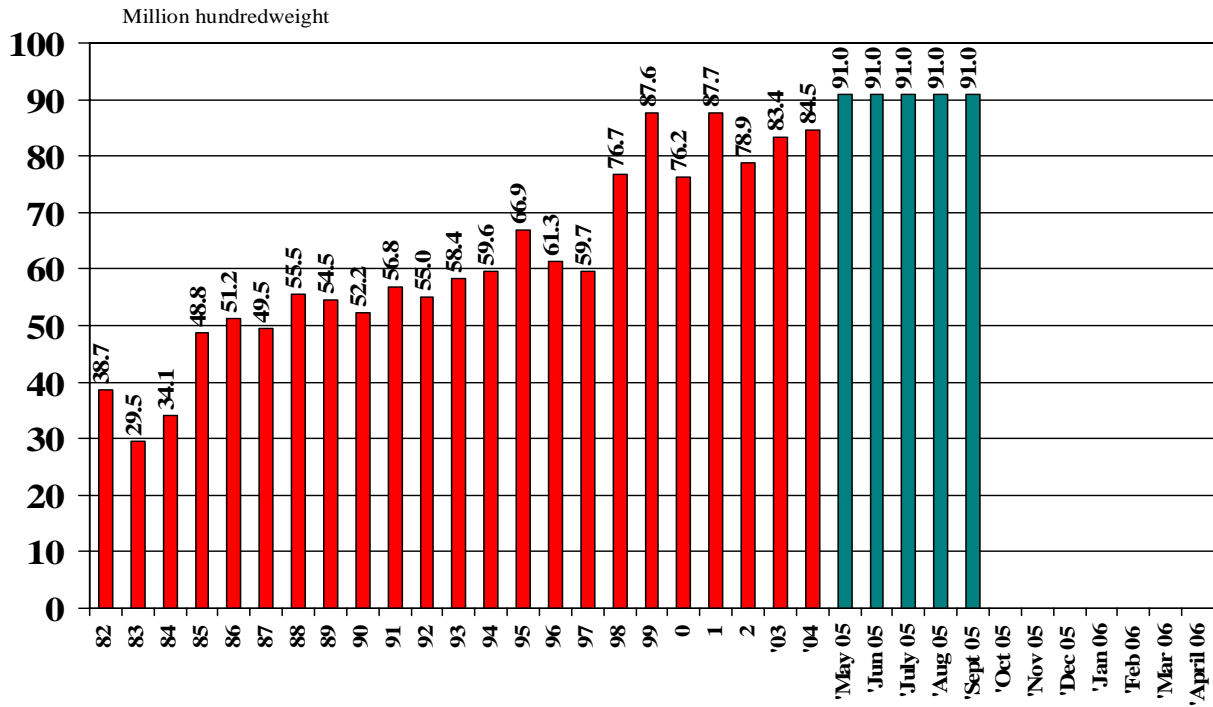
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



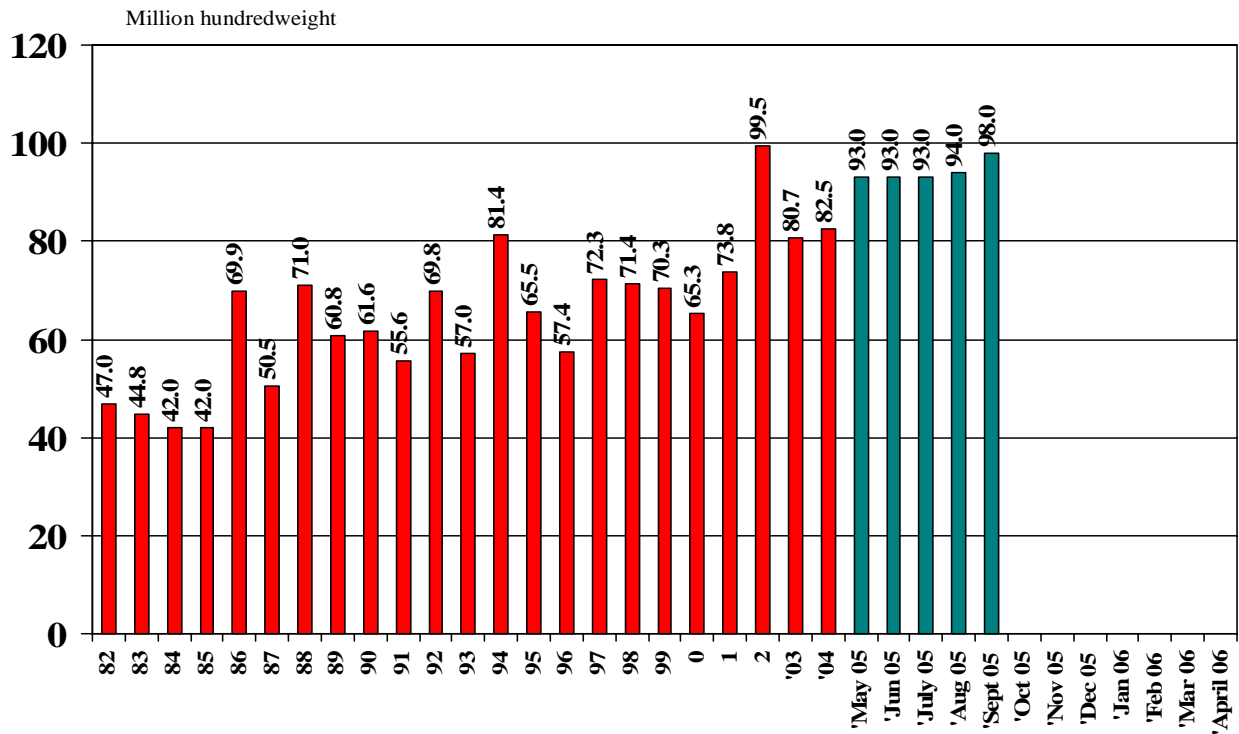
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



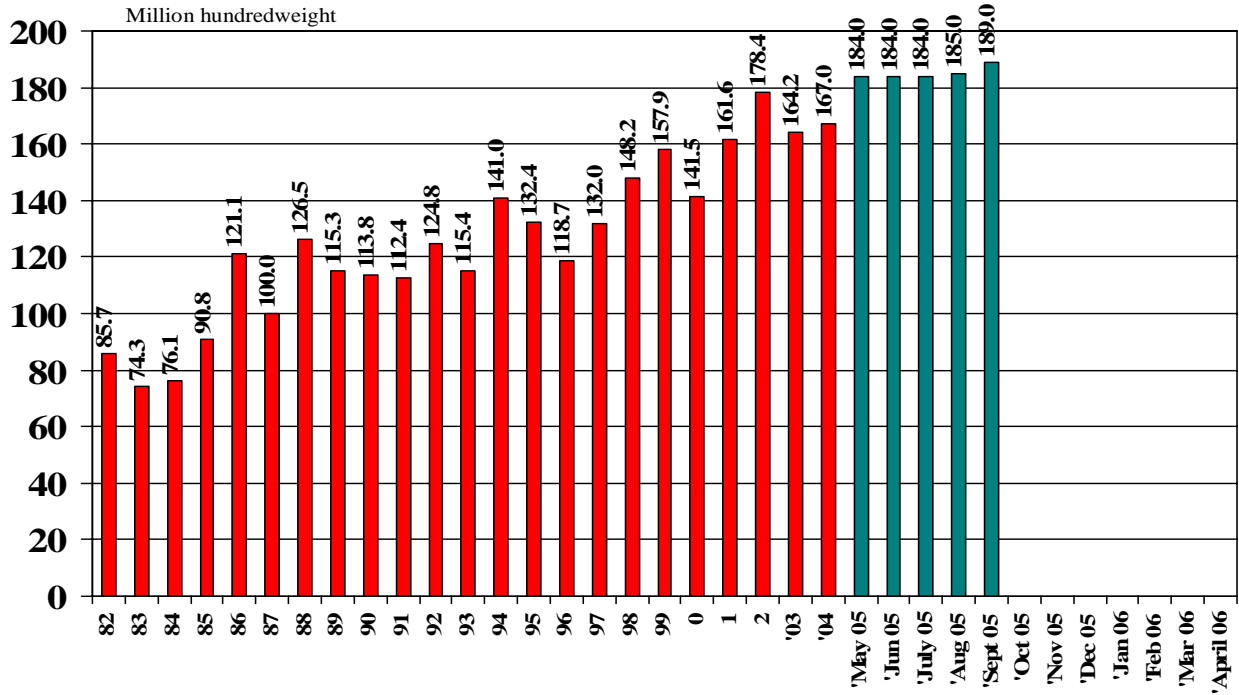
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



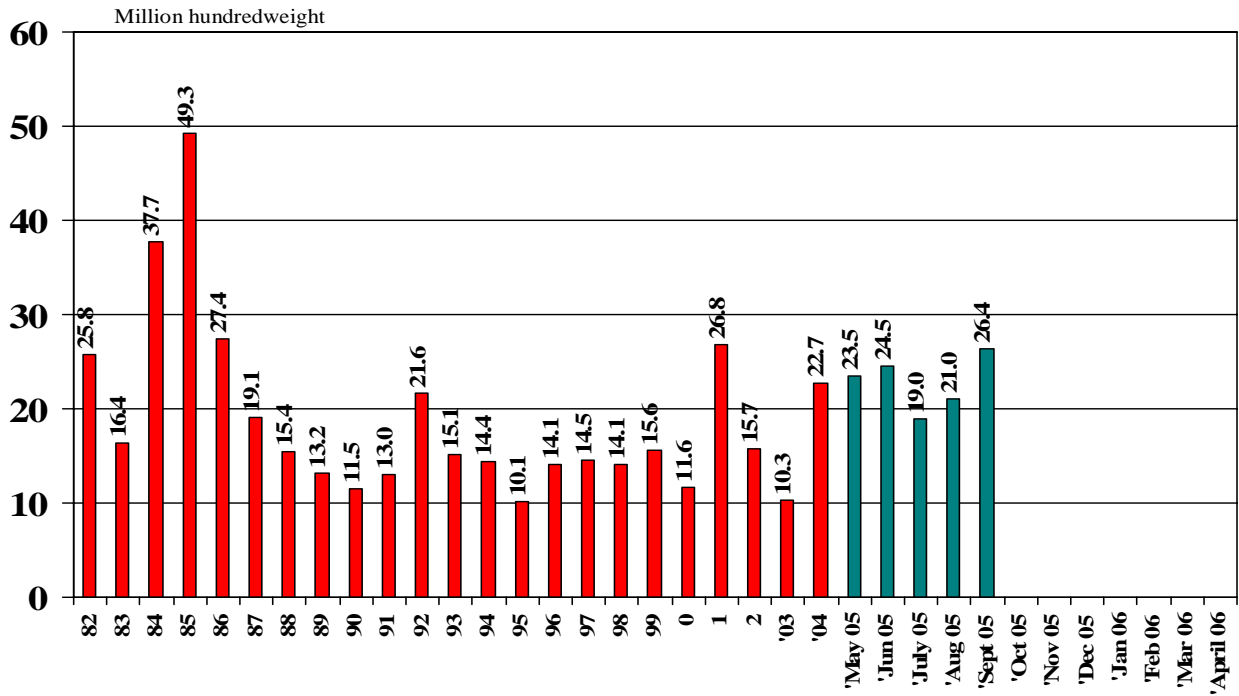
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



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

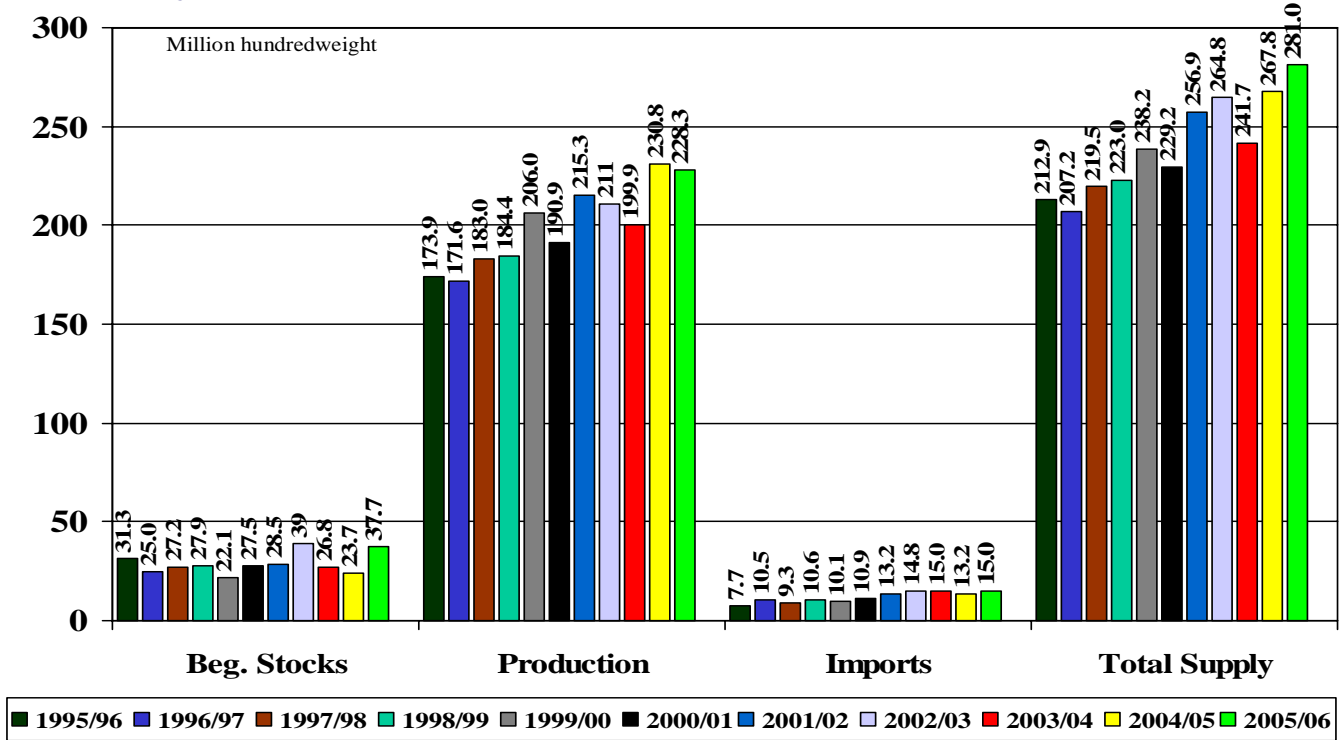
## U.S. Long Grain **Ending Stocks** 1982/83 – 2005/06



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

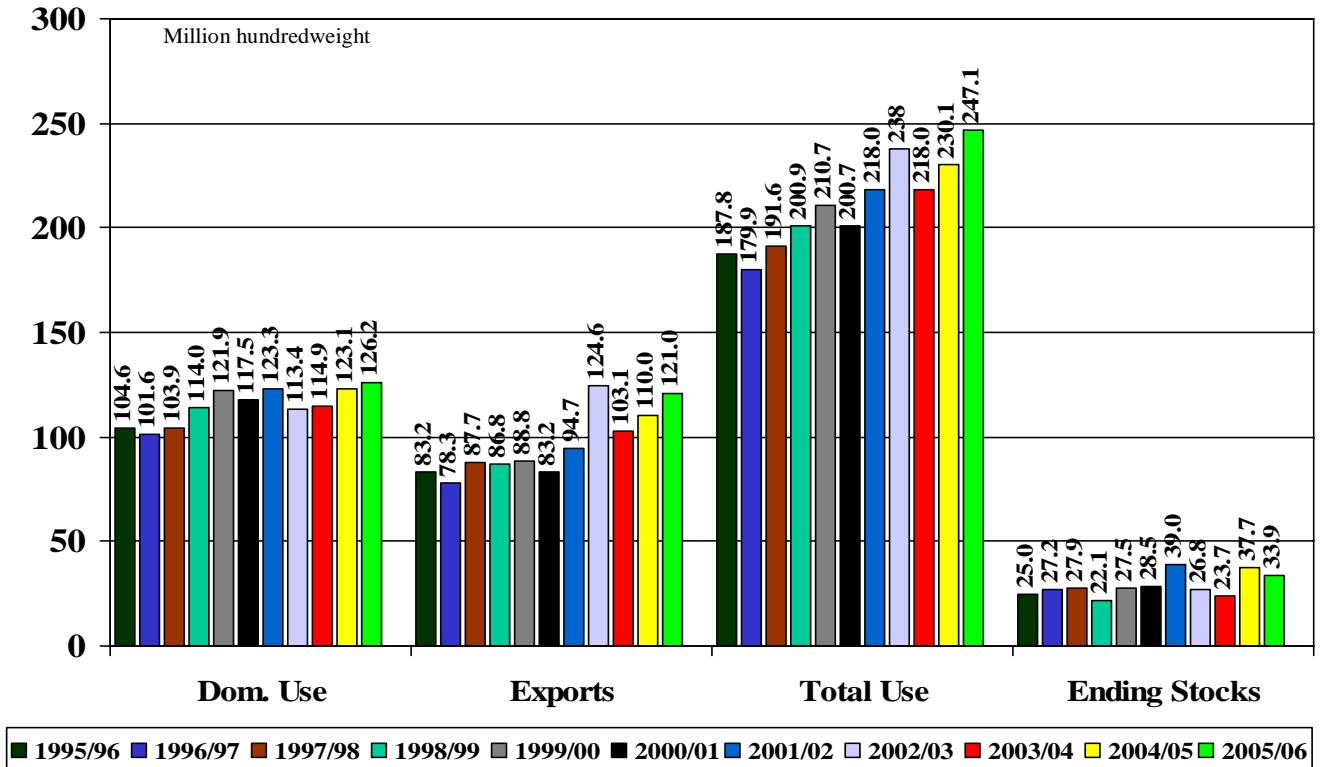
## U.S. All Rice Supply 1995/96 – 2005/06

Average Farm Price (\$/cwt): 2003/04 \$8.08, 2004/05 \$7.33 & 2005/06 \$7.25 to \$7.55



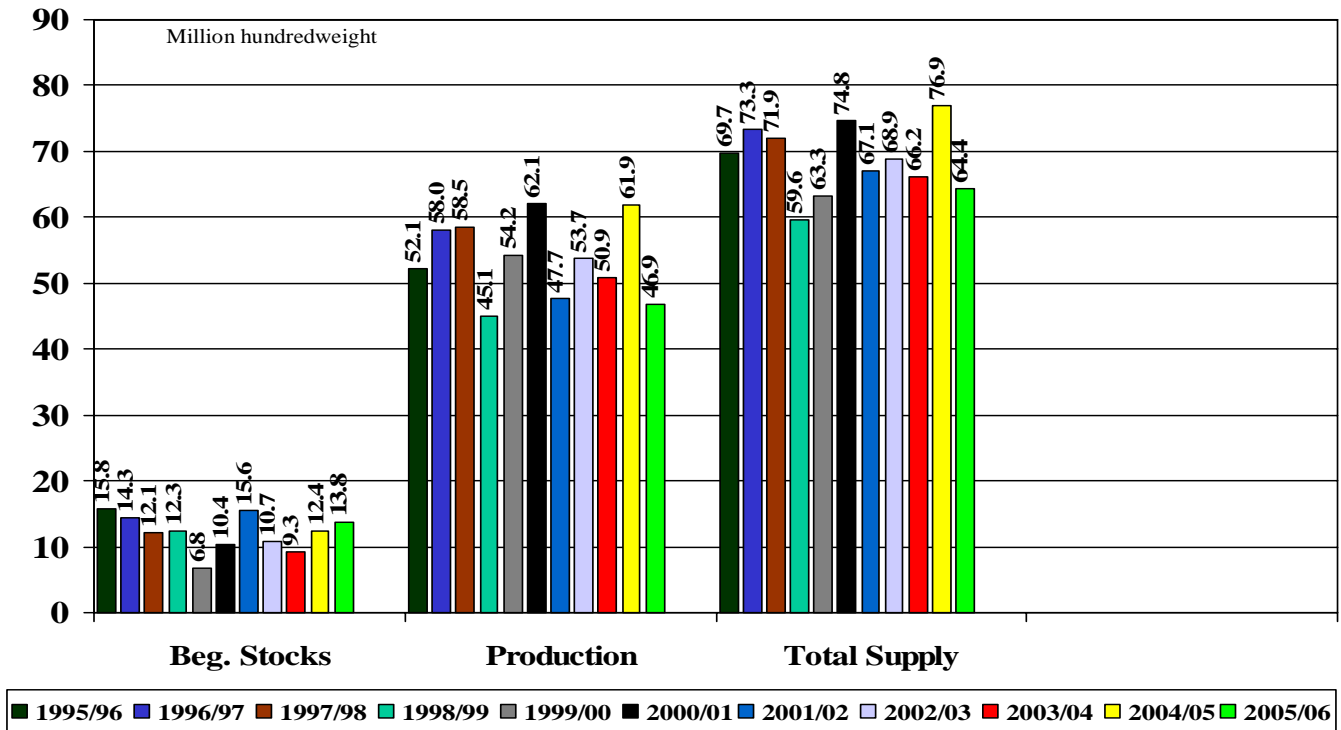
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



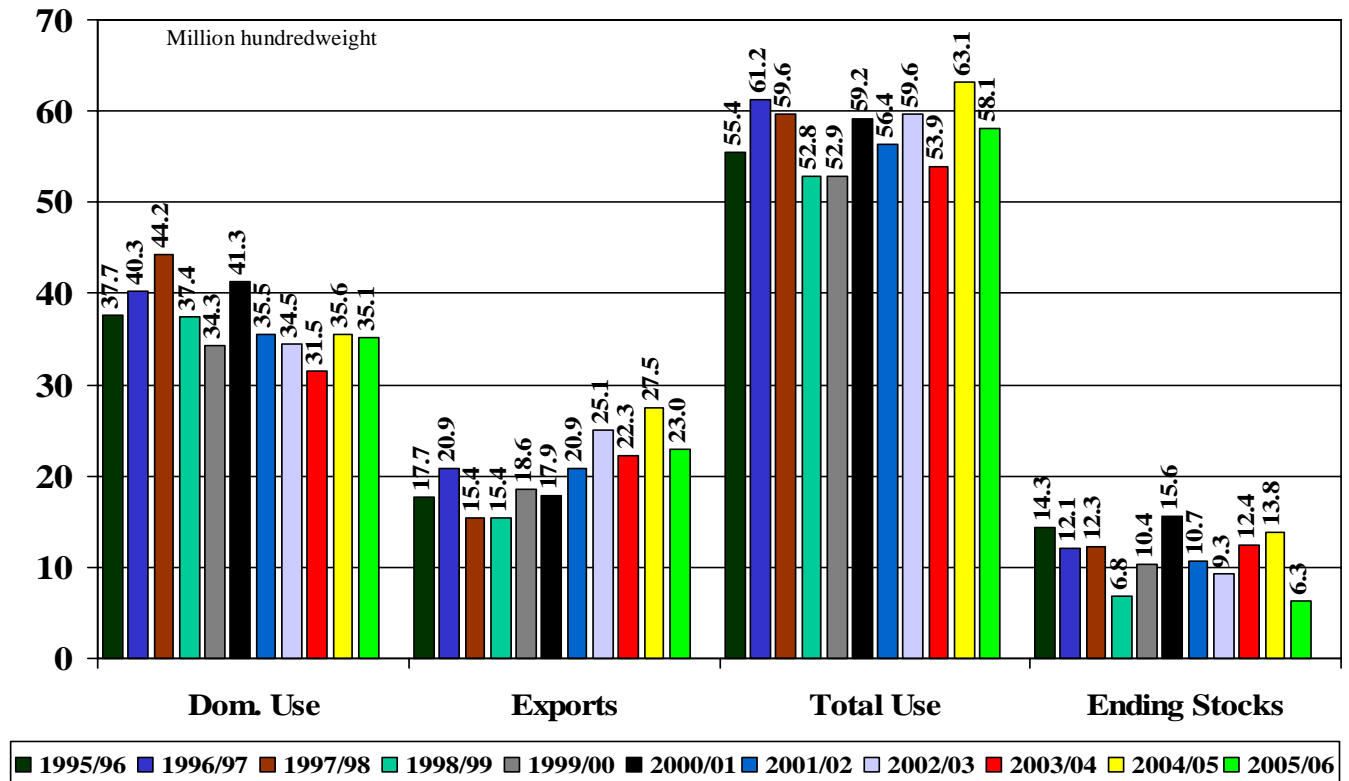
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



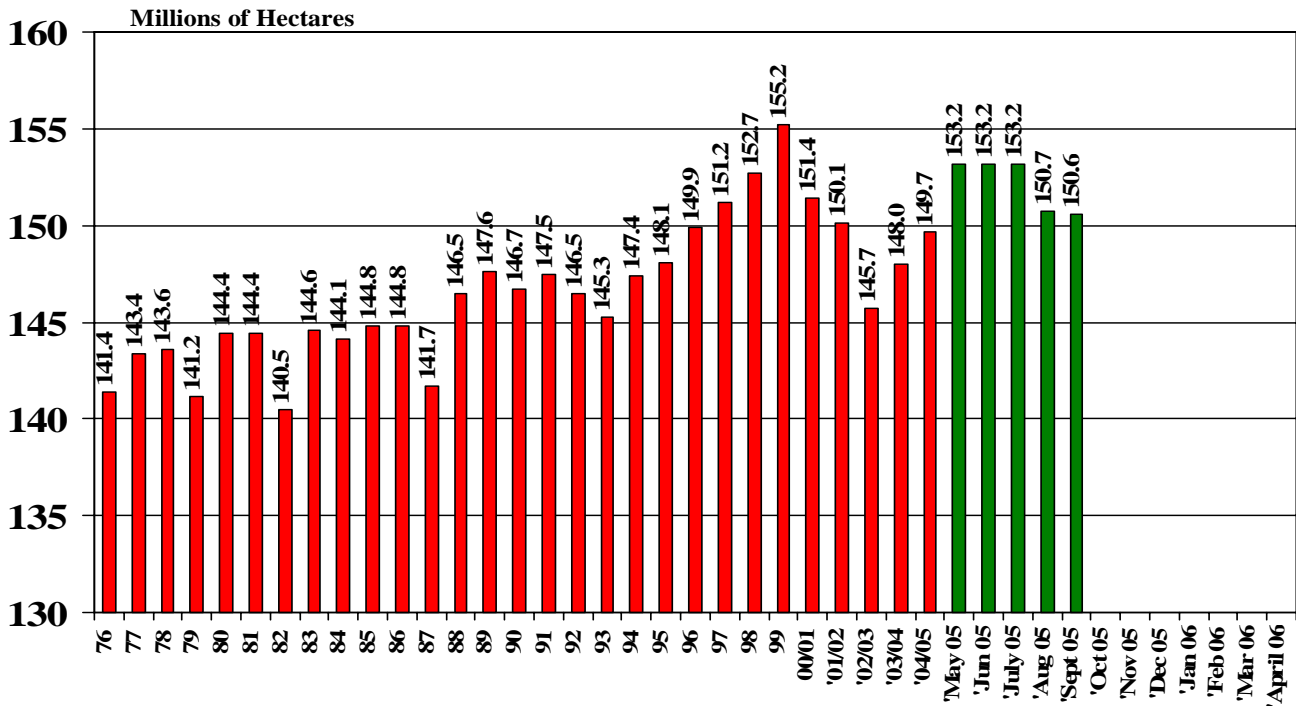
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



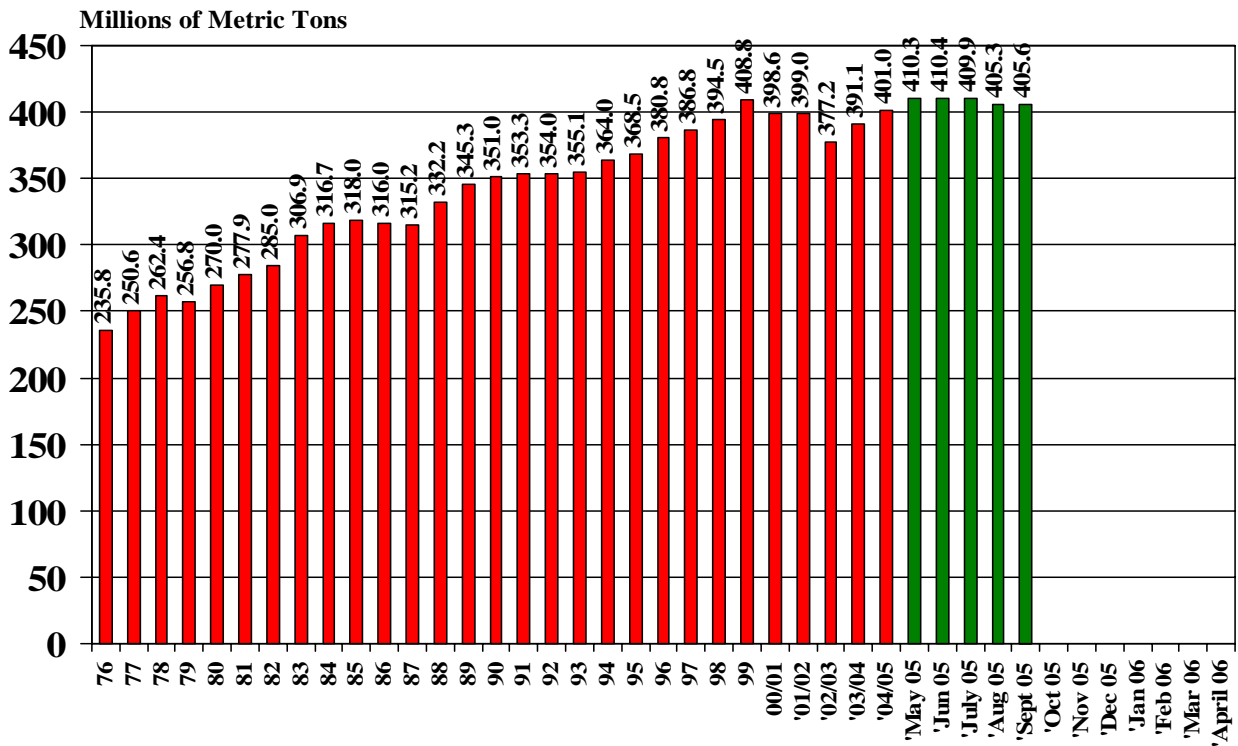
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



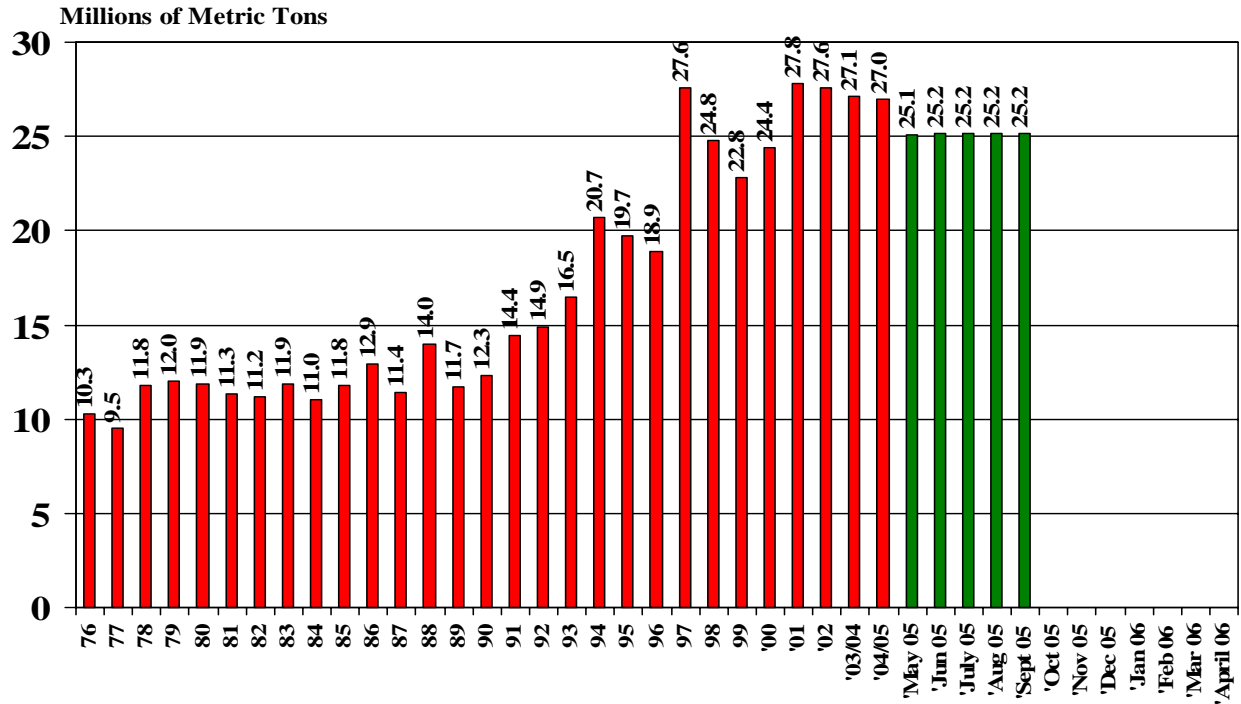
Source: [USDA Foreign Agricultural Service, Grain: World Markets and Trade](#)

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



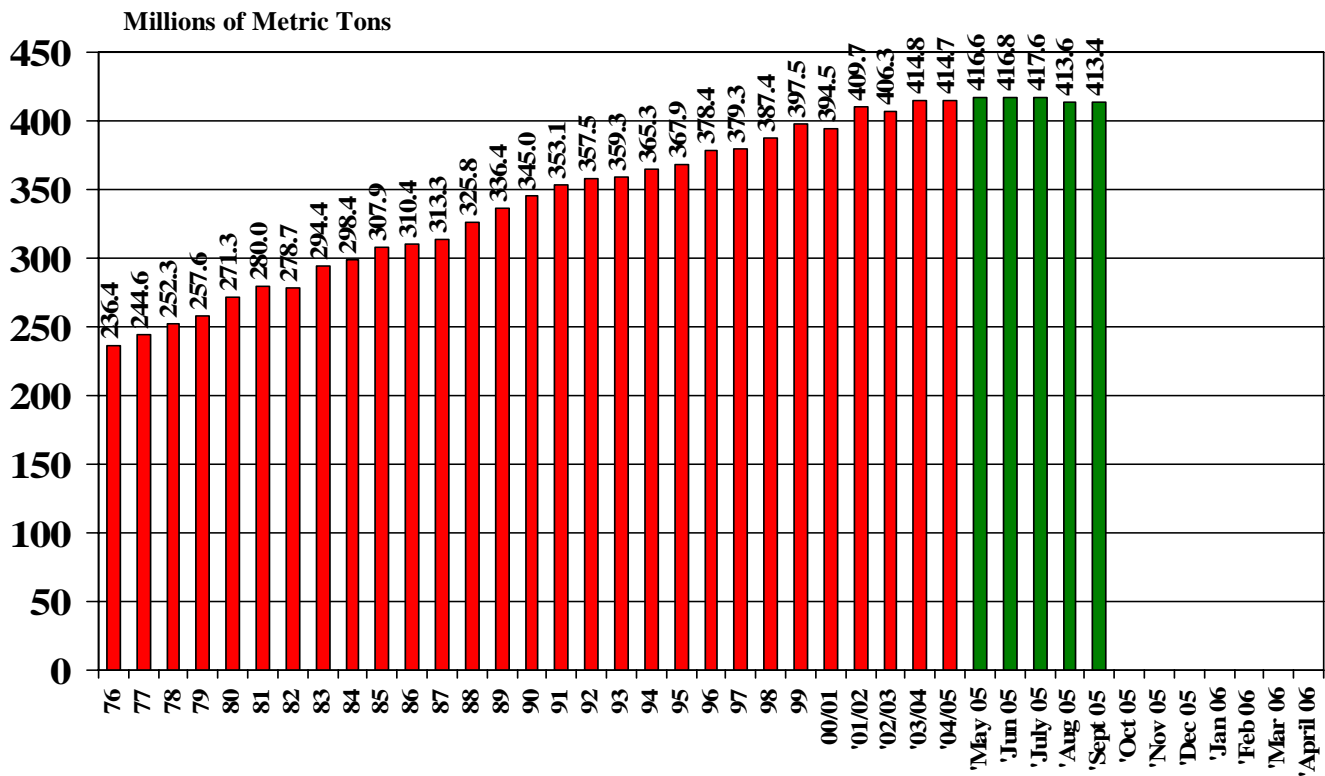
Source: [USDA Foreign Agricultural Service, Grain: World Markets and Trade](#)

## World Rice Trade 1976/77 – 2005/06



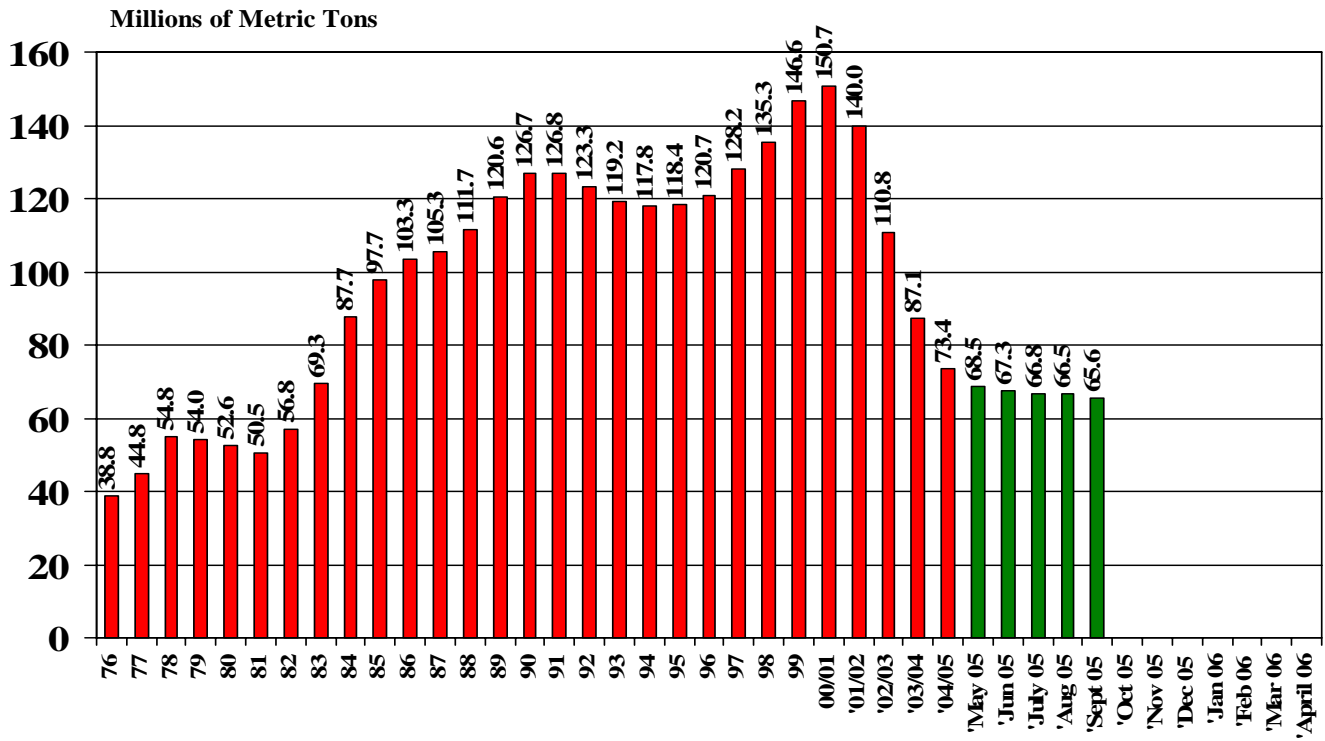
Source: USDA Foreign Agricultural Service, Grain: World Markets and Trade

## 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](#)