

**Rice Graphics and Commentary**

**June 16, 2006**

**By**

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Waiting on USDA's June 30, 2006 Acreage Report

Since USDA made no changes to the U.S. rice supply and use projections for 2005/06 and 2006/07 in their June forecast, the next big domestic rice news will come from USDA's June 30 Acreage Report.

Globally, rice ending stocks are projected by USDA at 3% below the previous month and 11% below the previous marketing period. They are at 60 million tons and will have declined for the sixth consecutive year and are the lowest since 1982/83.

For the sixth consecutive year world rice consumption has exceeded world rice production. By year world rice consumption exceeded world rice production by the following amounts:

2001/02	11 million metric tons
2002/03	29
2003/04	24
2004/05	12
2005/06	6.8
2006/07	7.3
U.S. production:	6.5

Global rice trade at 27.9 million metric tons is slightly below 2005's calendar year record of 28.8 million metric tons. In calendar year 2006 and 2007 Thailand is estimated to export 7.3 and 8.3 million metric tons, Vietnam 5.2 and 4.7 million tons, India 3.8 and 4.0 million tons, and the United States at 3.3 and 3.4 million tons. Global rice trade should continue to benefit from strong global growth.

USDA's data shows U.S. long grain rice prices #2/4 currently quoted at \$379 per ton, FOB; Thai prices continue strong at \$318 per ton, FOB. USDA indicates that Thai prices are being sustained by large exports to Iran and Iraq and from strong buying interest in the Middle East in addition to the appreciation of their currency. The spread between comparable qualities of Thai and U.S. rice is \$61 per ton. Vietnam prices are quoted at \$265 per ton, FOB.

Thai rice prices continue to strengthen. 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	\$299
February 2006	\$307
March 2006	\$309
April 2006	\$308
May 2006	\$314
June 2006	\$318

Vietnam rice prices in milled metric tons are as follows:

2000/01	\$165 milled metric ton
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	\$241
May 2006	\$257
June 2006	\$265

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

2000/01	\$290 milled metric ton
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
May 2006	\$379
June 2006	\$379

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
May 2006	\$202
June 2006	\$200

Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at \$475 per ton, FOB.

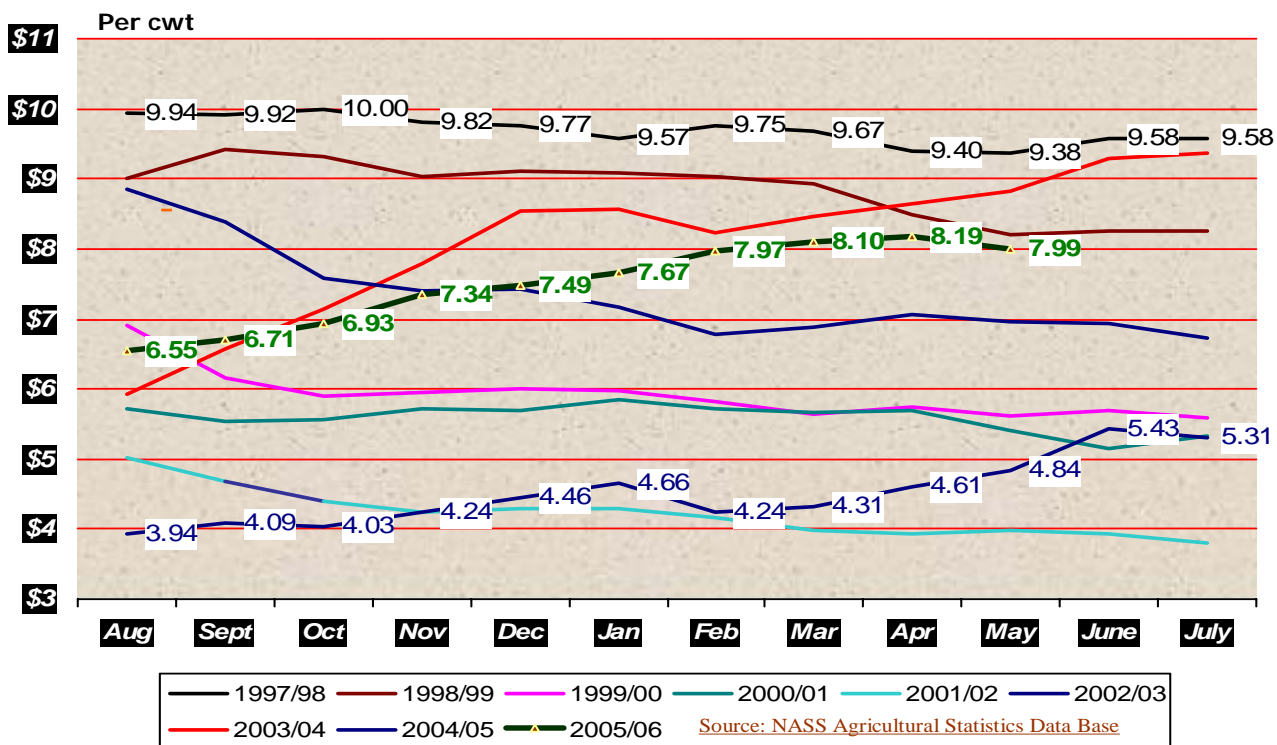
USDA does not publish a monthly U.S. long grain rice price received by producers, but they do publish a monthly U.S. all rice price received by producers. Since the beginning of this marketing period which began August 1, 2005, the monthly price has been increasing until this past month. In August 2005 the U.S. all rice price averaged \$6.55 per cwt and the price steadily increased through April 2006 to \$8.19 per cwt. The May 2006 estimate slipped to an estimated \$7.99 per cwt as the basic rice market fundamentals are becoming stronger than the speculative demand for rice.

U.S. all rice prices have shown significant improvement since the 1999/00 marketing period. USDA's season-average farm price range for 2005/06 is \$7.65 to \$7.75 per cwt; and the season-average farm price for 2006/07 is estimated at \$9.00 to \$9.50 per cwt. The season average farm prices since the 1999/00 marketing period follow:

1999/00	\$5.93 per cwt or \$2.67 per bus
2000/01	\$5.61 per cwt or \$2.52 per bus
2001/02	\$4.25 per cwt or \$1.91 per bus
2002/03	\$4.49 per cwt or \$2.02 per bus
2003/04	\$8.08 per cwt or \$3.64 per bus
2004/05	\$7.33 per cwt or \$3.30 per bus
2005/06	\$7.65 to \$7.75 per cwt \$3.44 to \$3.49 per bus
2006/07	\$9.00 to \$9.50 per cwt \$4.05 to \$4.28 per bus

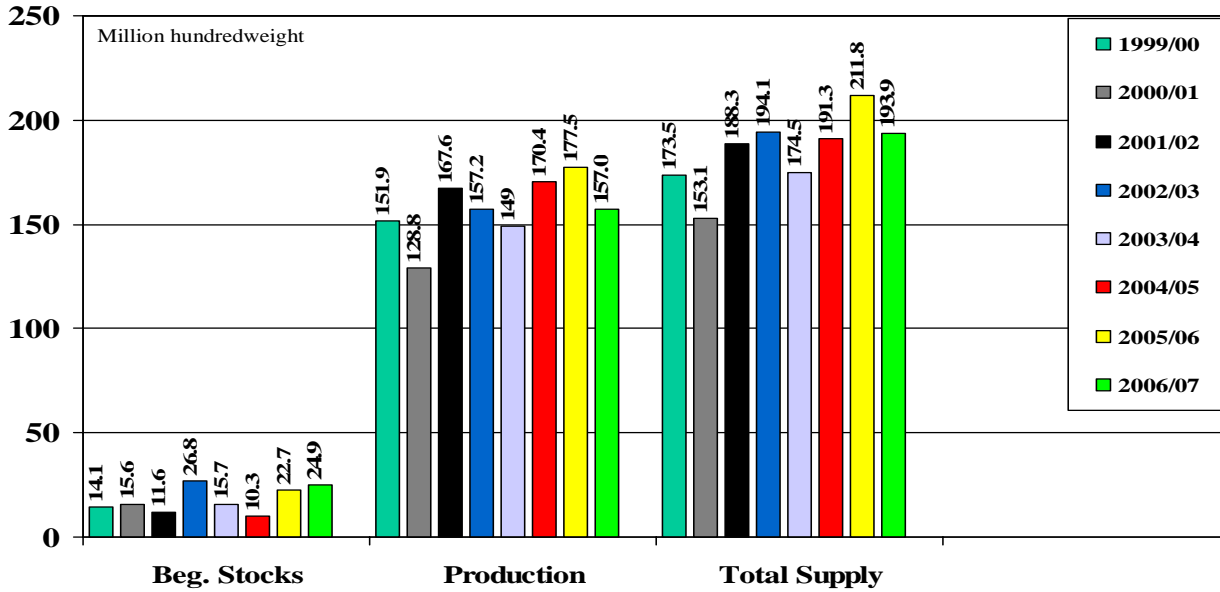
Bottom Line: The June 30, 2006 USDA Acreage Report will be the first U.S. Department of Agriculture survey of actual 2006/07 plantings. This report will give an excellent forecast of planted and harvested acres for the current production period. Fairly strong rice prices and fair weather conditions during the planting period provided the conditions for our producers to have planted additional rice acres. Two other key issues weighing heavy on the rice market are the global equities and commodities correction that began the week of June 5, 2006 and the reality that high U.S. rice prices, given our export competitors current prices, limits our ability to be competitive in the global export market. That said the dynamics of the global marketplace will continue to create pricing opportunities.

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



June 9, 2006

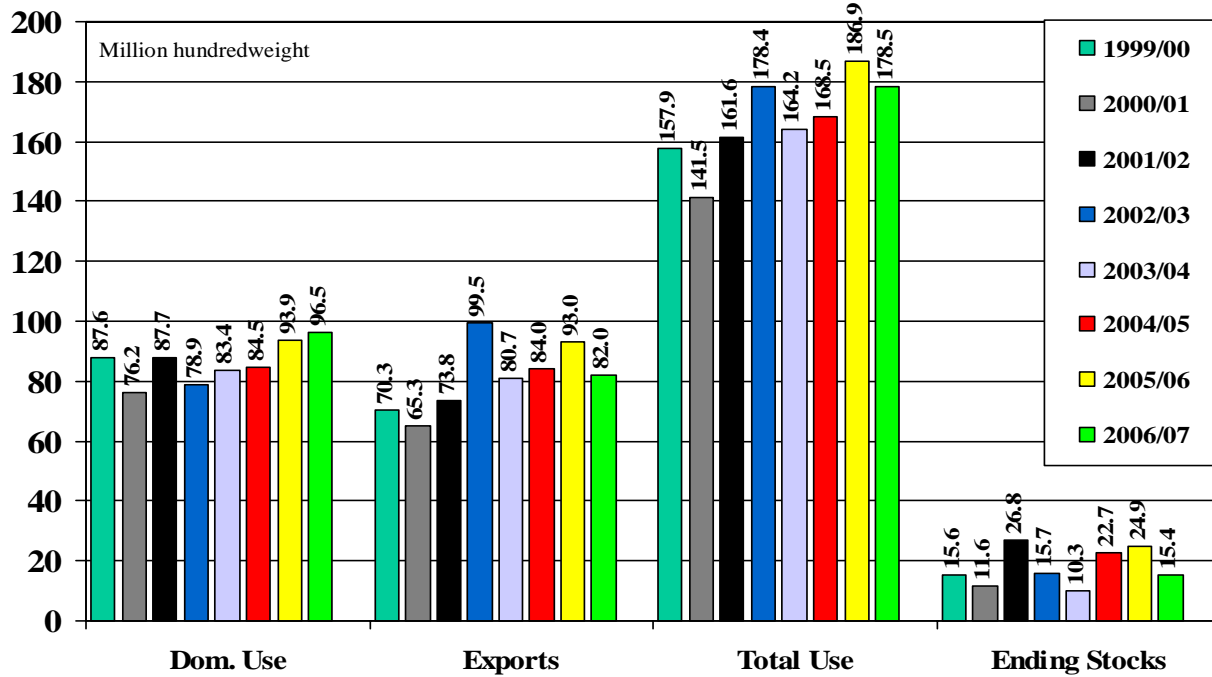
## U.S. Long Grain Rice Supply 1999/00 – 2006/07



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

June 9, 2006

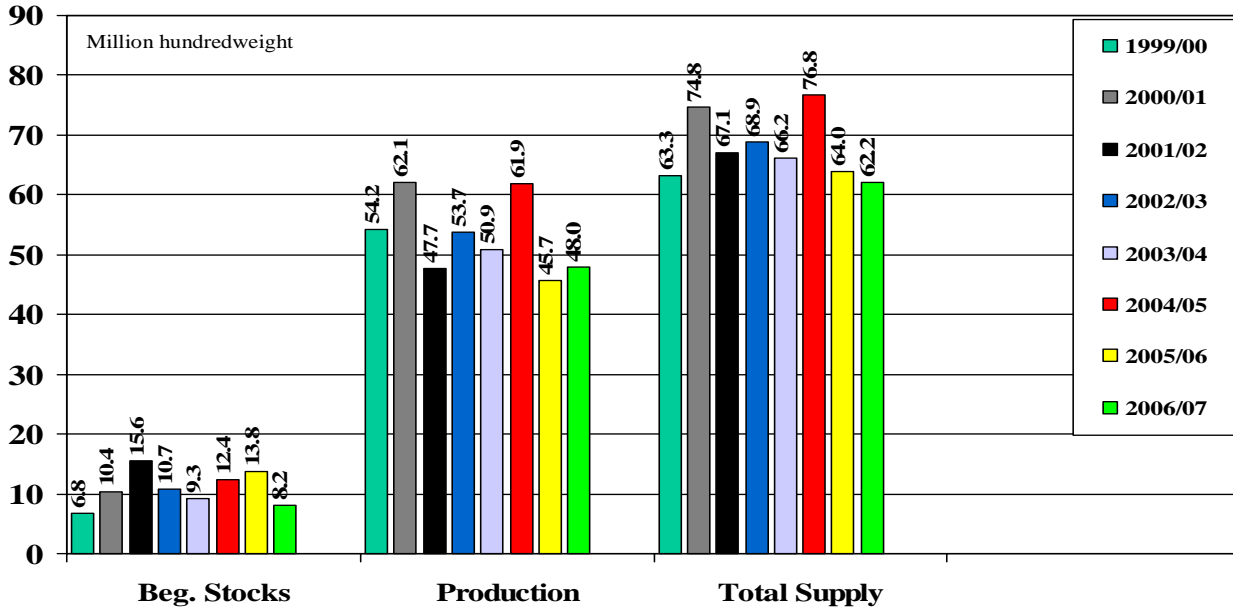
## U.S. Long Grain Rice Use and Ending Stocks 1999/00 – 2006/07



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

June 9, 2006

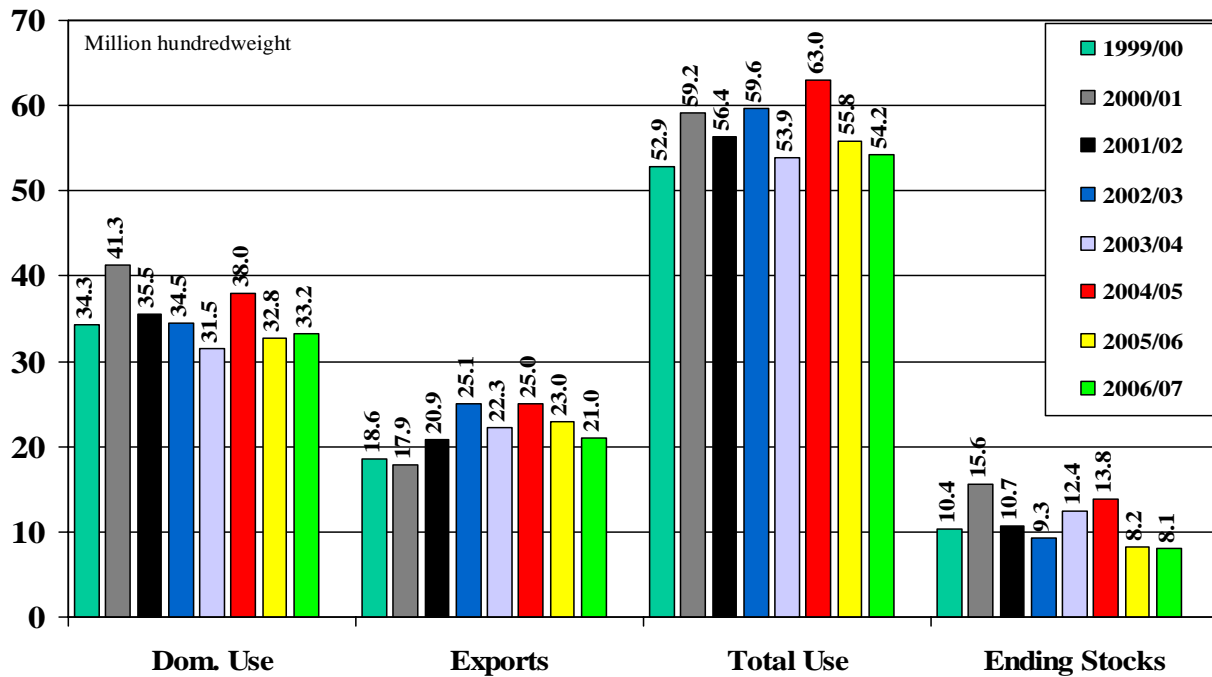
## U.S. Medium and Short Grain Rice Supply 1999/00 – 2006/07



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

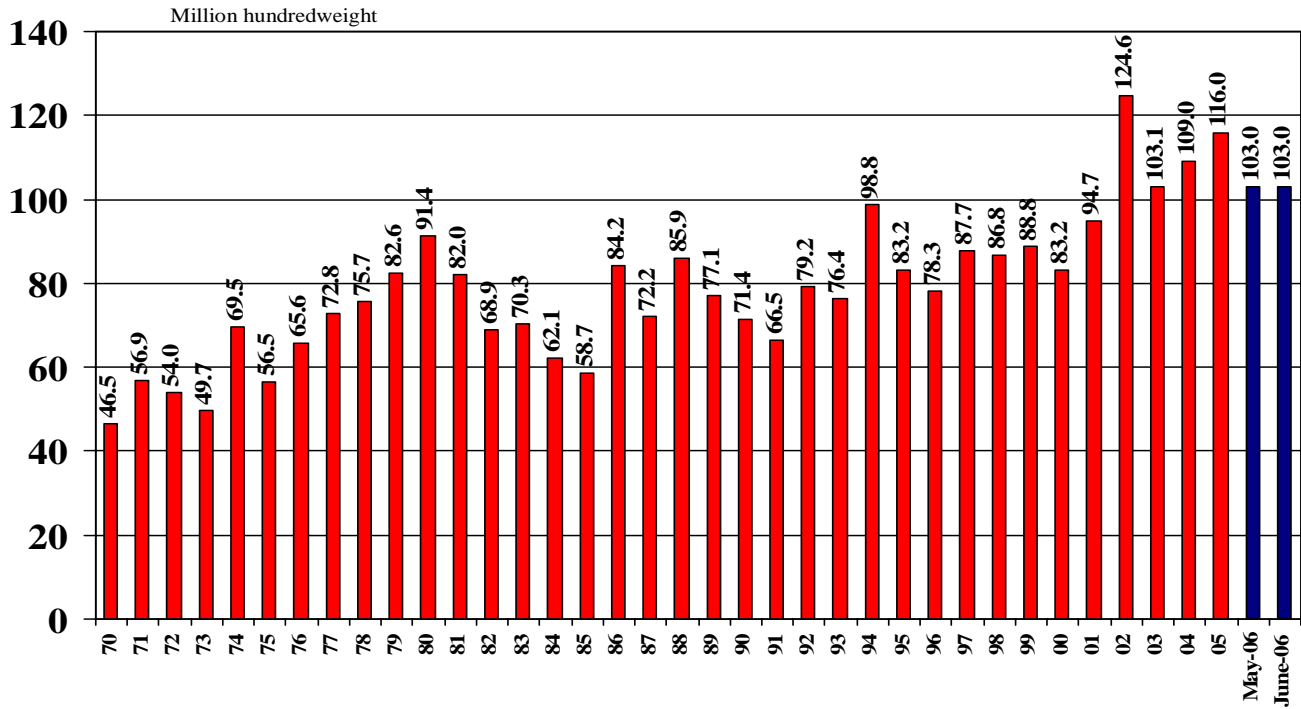
June 9, 2006

## U.S. Medium and Short Grain Rice Use and Ending Stocks 1999/00 – 2006/07



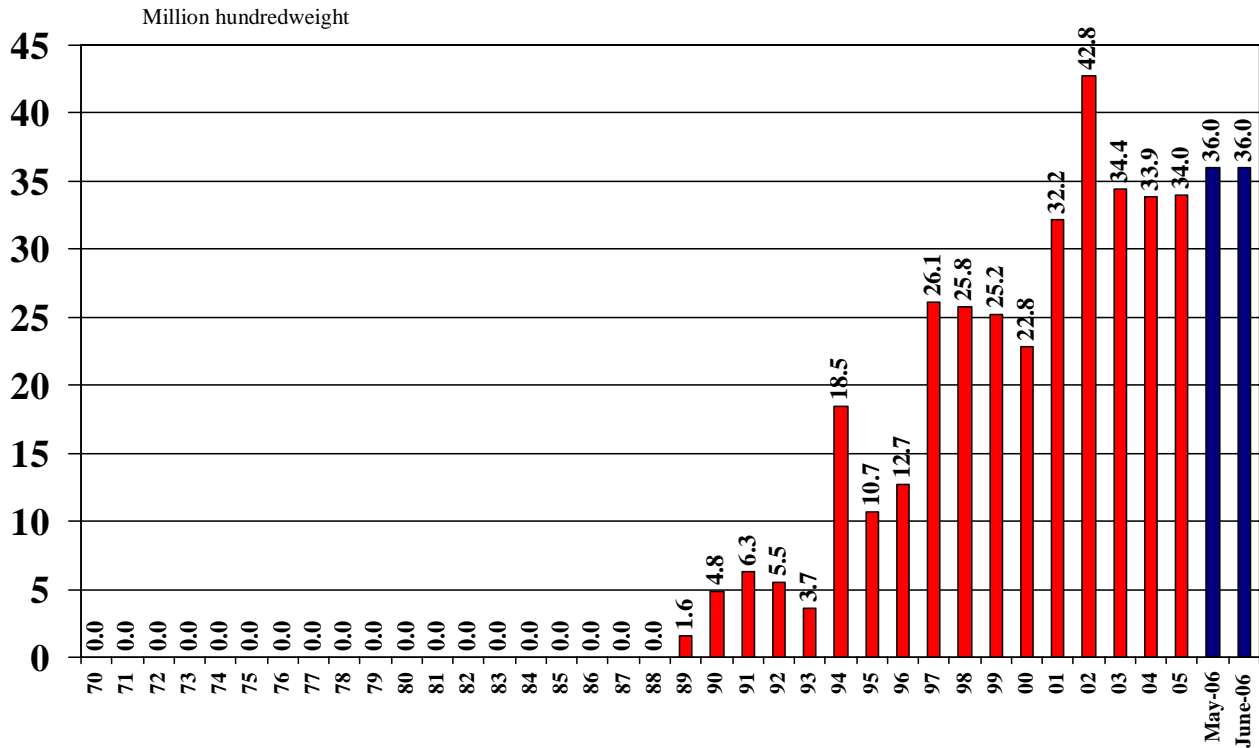
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. All Rice Total Exports 1970/71 – 2006/07



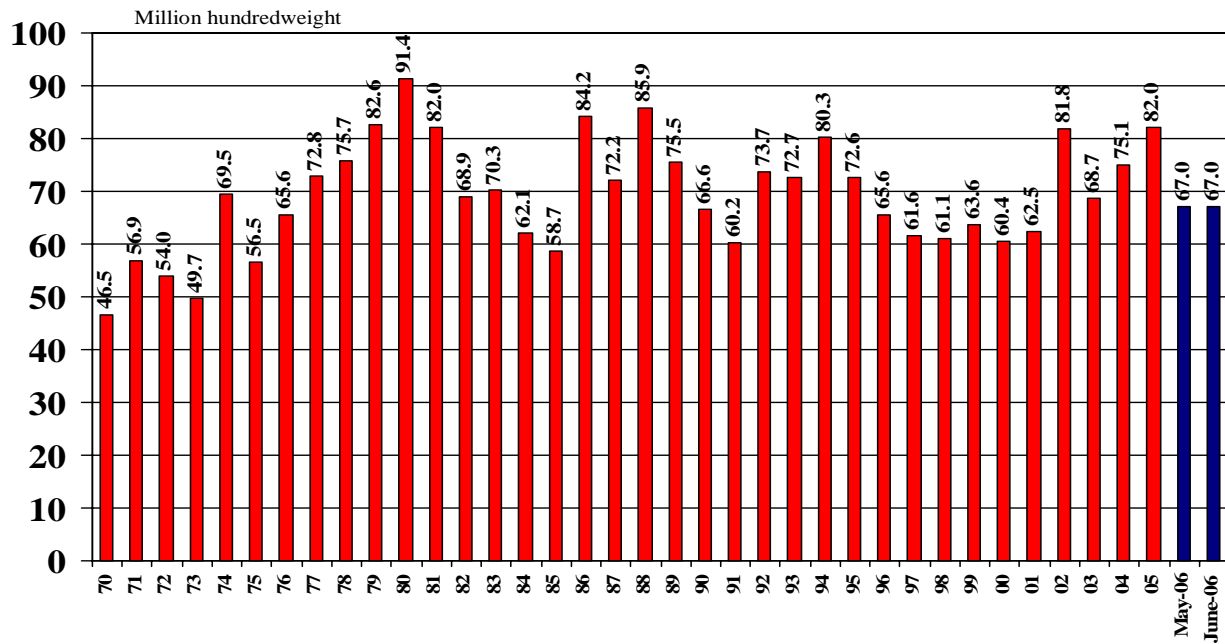
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. All Rice Rough Exports 1970/71 – 2006/07



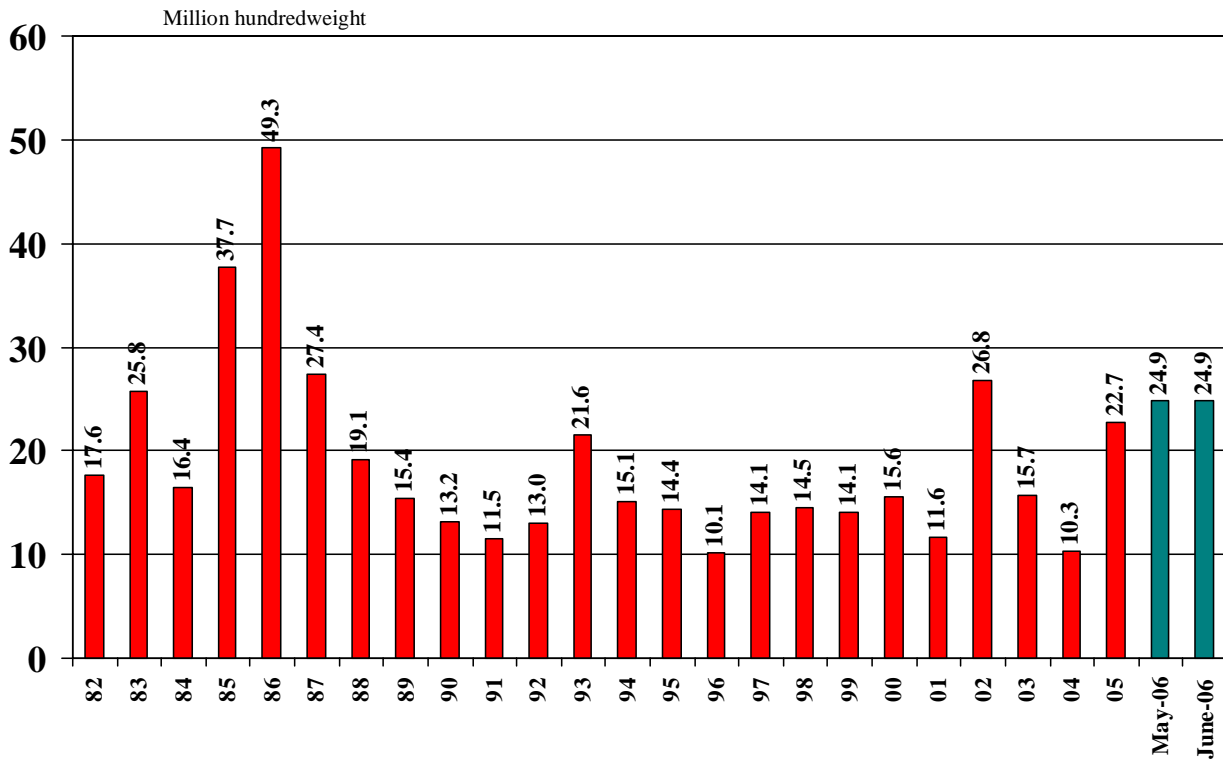
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. All Rice Milled Exports 1970/71 – 2006/07



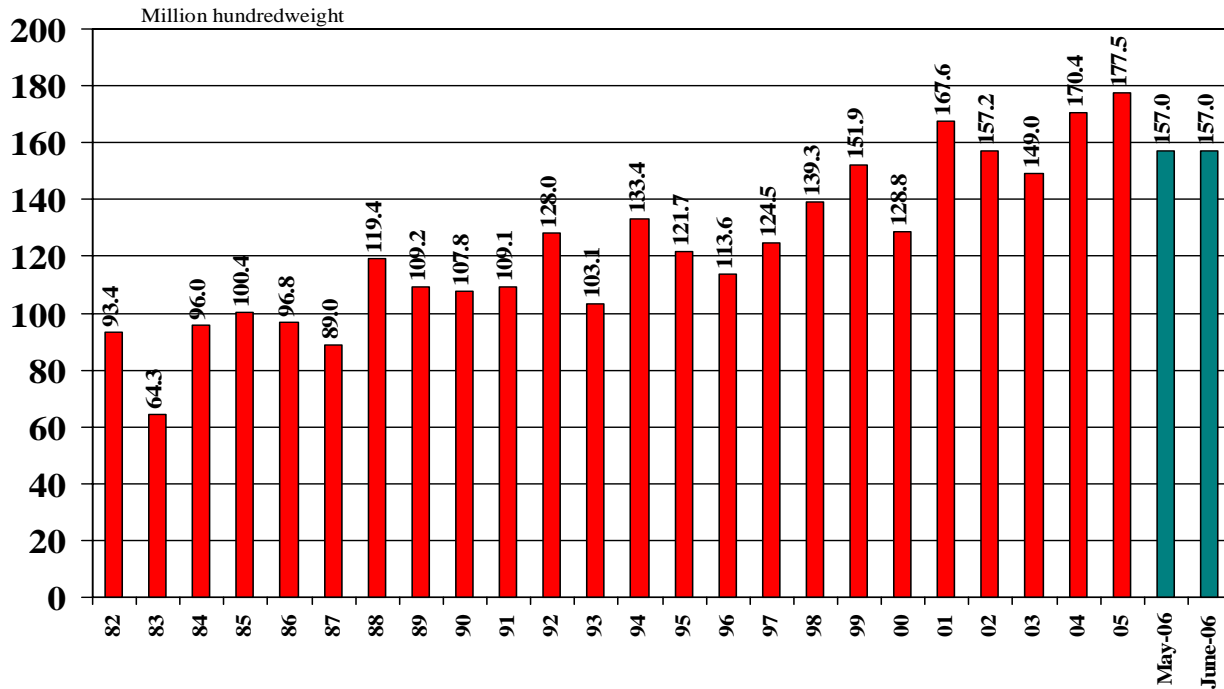
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice Beginning Stocks 1982/83 – 2006/07



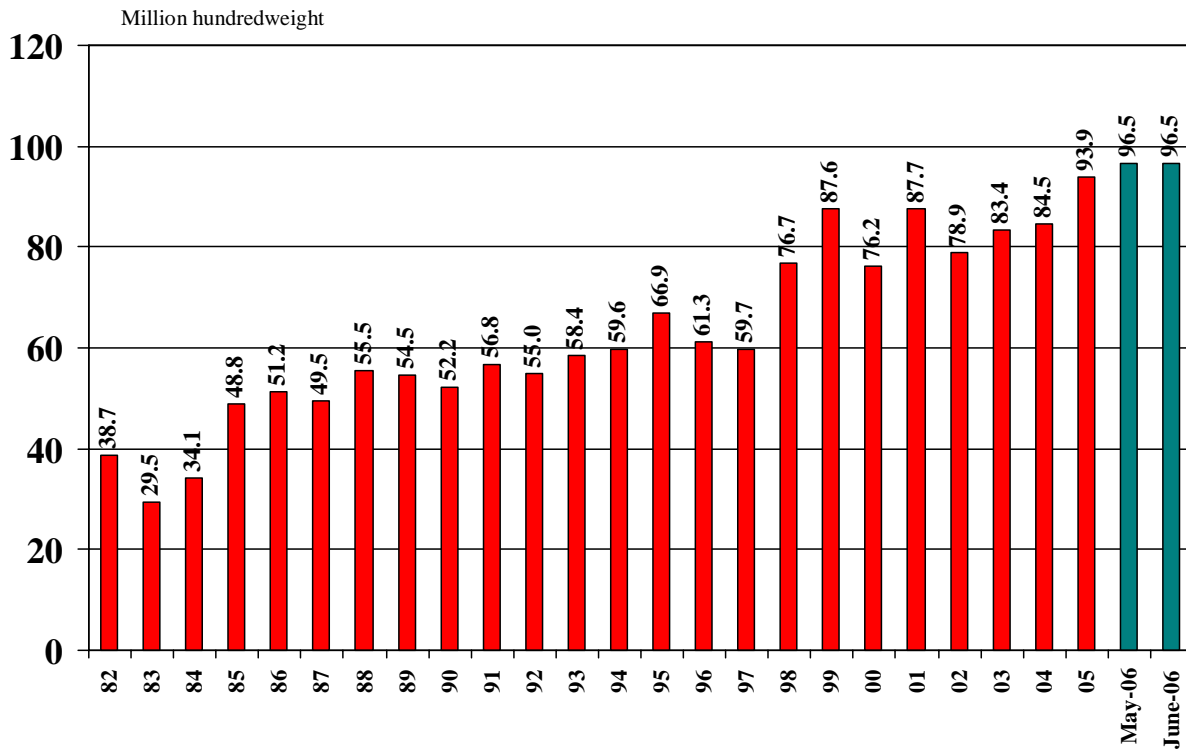
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice Production 1982/83 – 2006/07



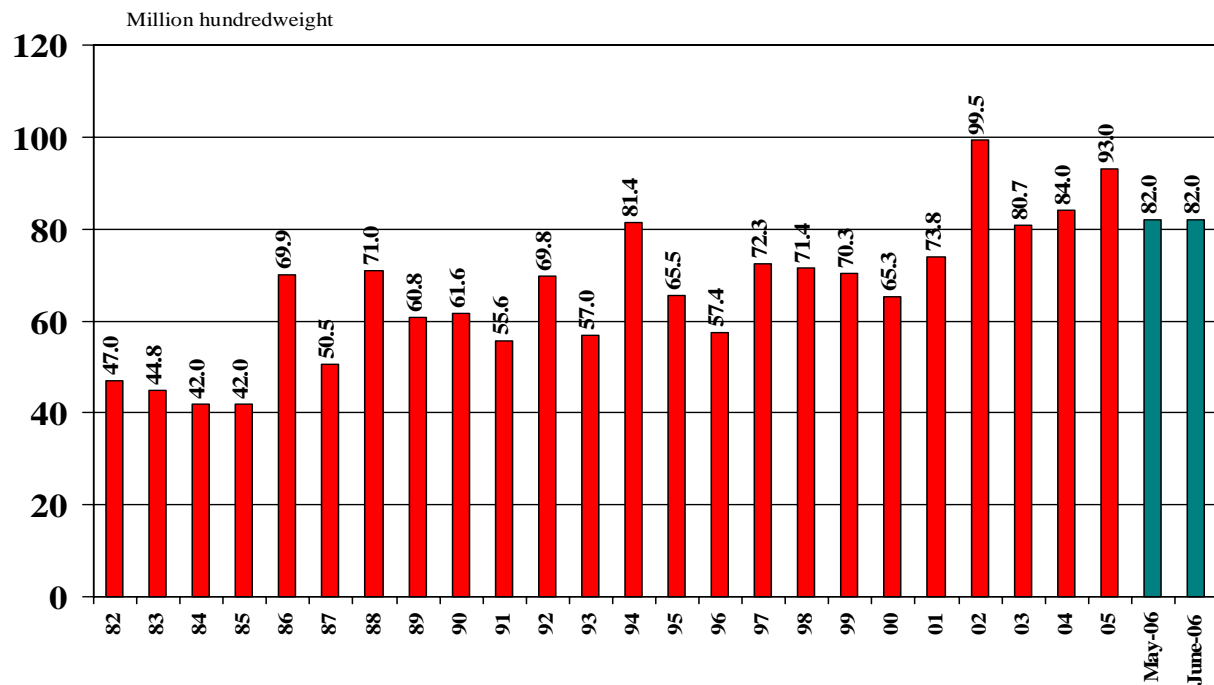
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice Domestic & Residual 1982/83 – 2006/07



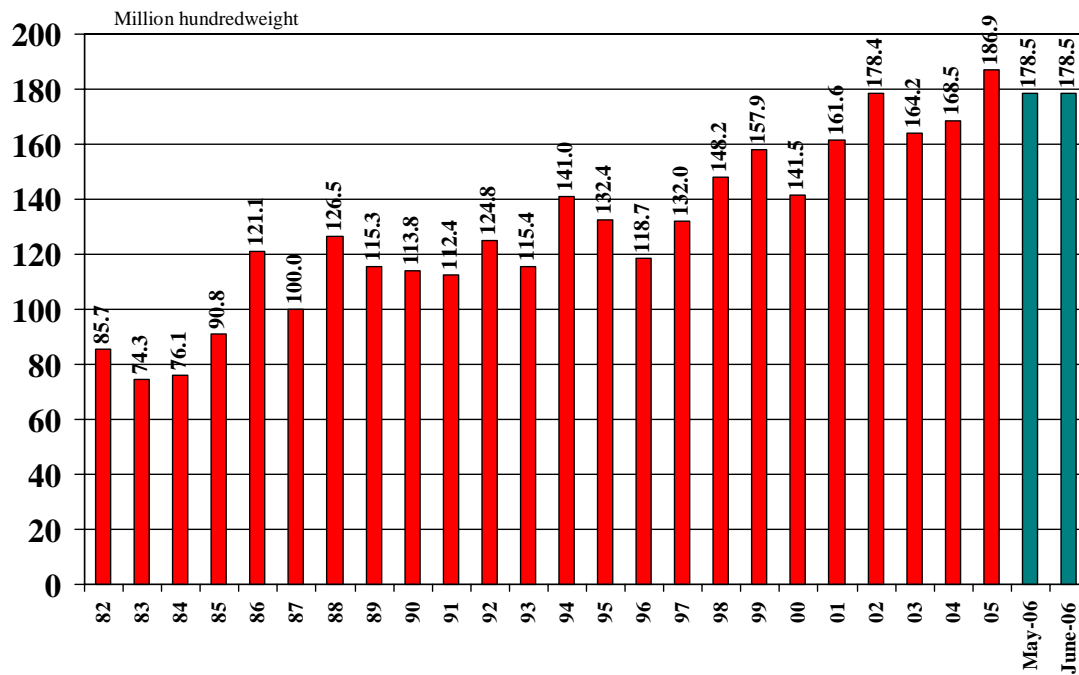
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Long Grain Rice Total Exports 1982/83 – 2006/07



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

## U.S. Long Grain Rice Total Use 1982/83 – 2006/07



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

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