

Rice Graphics and Commentary

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By

Bobby Coats

**Extension Agricultural Policy Analyst and Professor
University of Arkansas Cooperative Extension Service**

USDA's April Supply and Demand data showed only minor changes for 2006/07 U.S. long grain rice from a month ago.

- ◆ Total supply was raised from 191.9 million cwt to 192.9 million cwt due to increased imports of 1.0 million cwt. All rice imports are now projected at a record 20.0 million cwt. USDA indicates that imports of fragrant long-grain rice from Thailand, which were larger than expected through the first half of the marketing year (based on Census data through January), account for most of the increase.
- ◆ On the use side no changes were made from a month ago. Total long grain use is estimated at 169.8 million cwt, the third largest on record.
- ◆ Ending stocks of long grain rice are now projected at 23.1 million cwt, which is well below last year's 32.7 million cwt.
- ◆ USDA's season-average all rice farm price is projected at \$9.75 to \$9.95 per cwt (\$4.39 to \$4.48 per bushel), which is significantly above 2005/06's \$7.65 per cwt (\$3.44 per bushel) and 2004/05's \$7.33 per cwt (\$3.30 per bushel).

Minor changes from the previous month were made to the global supply and demand estimates.

- ◆ Global consumption in five of the past 6 marketing years has exceeded global production.
- ◆ Global 2006/07 production is the 2nd largest on record at 415 million metric tons (milled basis). This is 3 million metric tons below last year's record.
- ◆ Global ending stocks are the second lowest since 1983/84 at 79 million metric tons and slightly below last year's 81.5 million metric tons.
- ◆ Global trade remains strong at a record 29.4 million metric tons.
- ◆ USDA indicates that Thai rice prices are \$324 per ton, FOB and Vietnam rice prices are at \$305 per ton, FOB. U.S. #2/4 long grain milled rice prices are estimated at \$417 per ton, FOB.

2007 U.S. Rice Planting Intentions: USDA's estimates that U.S. all rice producers intend to plant 2.64 million acres, 7 percent below 2006 and 22 percent below 2005. If these plantings materialize then this would be the lowest planted rice acreage since 1987. U.S. long grain acreage is estimated at 76 percent of total or 2.016 million acres. Long grain acreage is down 8 percent from last year. U.S. medium grain rice producers intend to plant 562,000 acres, a decrease of 3 percent from 2006. Short grain variety planting intentions is up by 8 percent to 66,000 acres and represents 3 percent of the total.

Arkansas rice producers intended to plant the following:

- ◆ 2007 Arkansas all rice planting intentions are 1.221 million acres, down 13.2% from last year, down 19.6% over the past five years, down 19.5% over the past 10 years, down 16.1% over the past 15 years, and down 14.8% for the period from 1990 to 2006.
- ◆ 2007 Arkansas long grain rice planting intentions are 1.130 million acres, down 13.1% from last year, down 18.1% over the past five years, down 15.4% over the past 10 years, down 10.8% over the past 15 years, and down 9.6% for the period from 1990 to 2006.
- ◆ 2007 Arkansas medium grain rice planting intentions are 90 thousand acres, down 14.3% from last year, down 35% over the past five years, down 50.2% over the past 10 years, down 51.8% over the past 15 years, and down 50.3% for the period from 1990 to 2006.

Missouri rice producers intend to plant 191,000 acres of all rice, 12 percent below the year-earlier record of 216,000. This acreage is the fifth largest on record.

Rice planting intentions in Mississippi are estimated to be the smallest since 1983/84 at 180,000 acres. This acreage is down 5 percent from 2006.

Texas rice producers indicate that they intend to plant 7 percent more or 160,000 acres. This is the second smallest acreage planted by Texas producers since 1934.

Louisiana rice producers indicated 2007/08 rice plantings at 360,000 acres, which is up 3 percent from a year earlier. This is the lowest acreage since 1914.

California rice farmers produce mainly medium grain rice. They indicate planting intentions of 532,000 acres in 2007. This intended rice acreage is up 1 percent from 2006 and the seventh largest planted acreage on record.

Bottom Line:

Reduced Acreage: U.S. rice acreage reduction was expected due to added cost of production, lack of adequate pricing opportunities, other crop alternatives for many Mississippi River Valley Delta producers, trade barriers, and the biotech rice issue.

Price Expectations: The underlying fundamentals in the global marketplace remain positive. Strong global growth continues and this growth is generating demand and trade opportunities for commodities. This is especially true in the oil sector, which is entering a strong demand period. The U.S. Federal Reserve Chairman continues to show more concern for managing growth and rising prices, than the need for stimulating growth, which sends a very positive signal for commodity demand and price expectations. Additionally, the accelerated movement toward alternative fuel production and the accompanying demand for corn and soybeans, coupled with current and potential weather impacts, I continue to find myself bullish commodities.

Thai rice prices in milled metric tons 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	\$319
July 2006	\$321
August 2006	\$319
September 2006	\$318
October 2006	\$307
November 2006	\$302
December 2006	\$311
January 2007	\$320
February 2007	\$323
March 2007	\$327
April 2007	\$324

Vietnam rice prices in milled metric tons are as follows:

2000/01	\$165 milled metric ton
2001/02	\$187
2002/03	\$184
2003/04	\$212
2004/05	\$244
August 2005	\$256
September 2005	\$256
October 2005	\$266
November 2005	NQ
December 2005	NQ
January 2006	\$265
February 2006	\$264
March 2006	\$253
April 2006	\$243
May 2006	\$259
June 2006	\$264
July 2006	\$264
August 2006	\$269
September 2006	\$272
October 2006	\$278
November 2006	\$297
December 2006	NQ
January 2007	NQ
February 2007	NQ
March 2007	\$303
April 2007	\$305

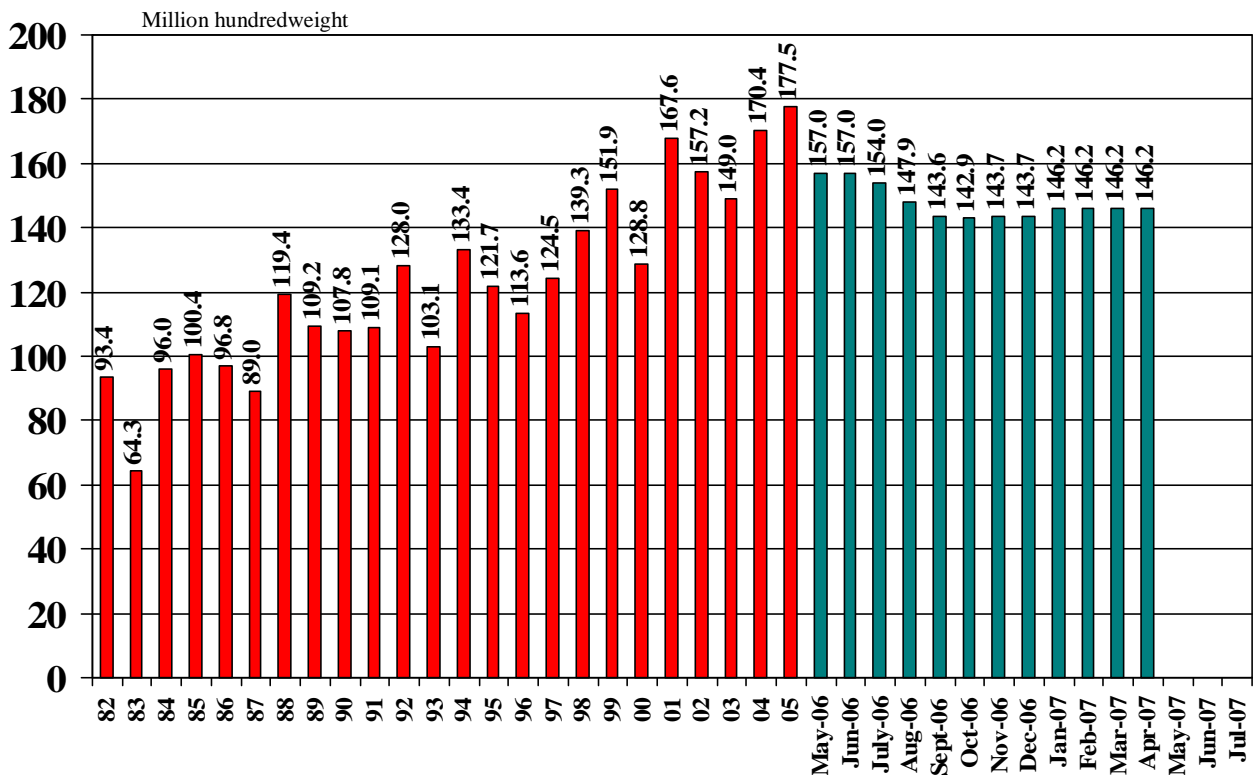
Southern Long Grain rice prices in milled metric tons are as follows:

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
July 2006	\$386
August 2006	\$410
September 2006	\$421
October 2006	\$433
November 2006	\$434
December 2006	\$438
January 2007	\$435
February 2007	\$432
March 2007	\$420
April 2007	\$417

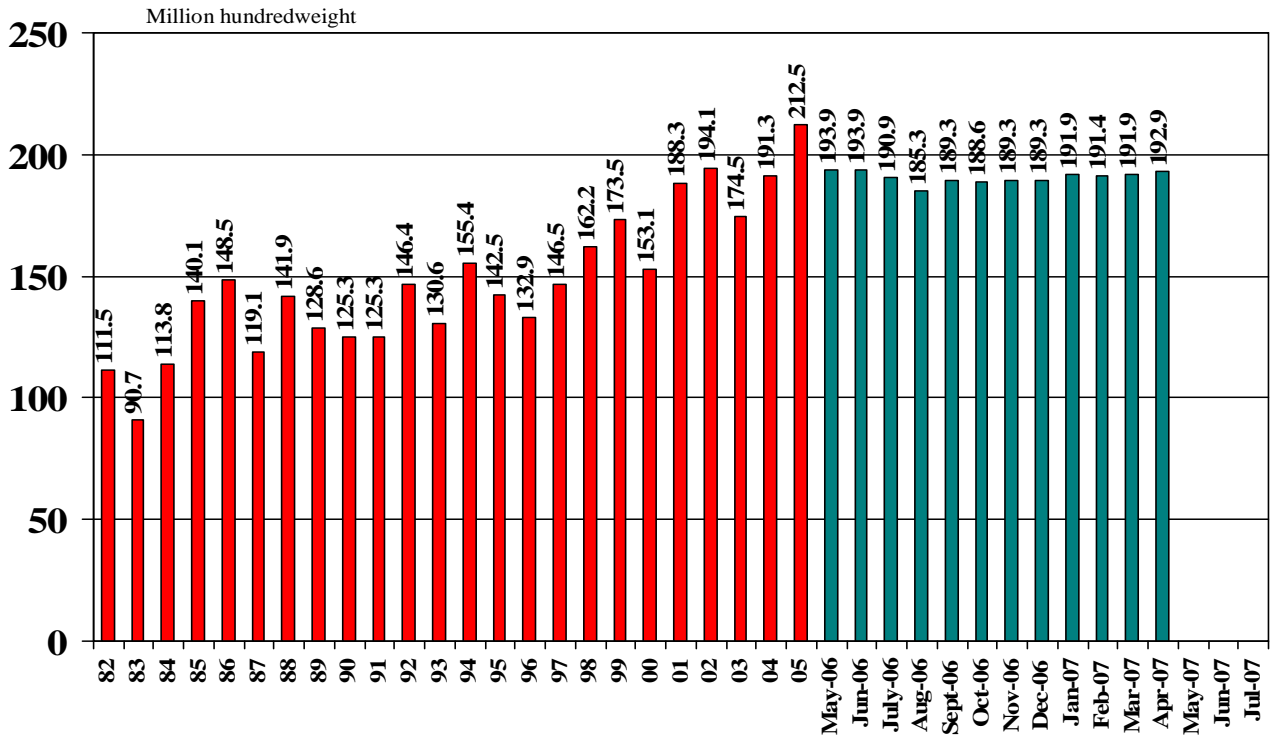
Southern Long Grain rough rice prices in metric tons are as follows:

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	\$202
July 2006	\$213
August 2006	\$220
September 2006	\$227
October 2006	\$242
November 2006	\$245
December 2006	\$245
January 2007	\$243
February 2007	\$240
March 2007	\$240
April 2007	\$240

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

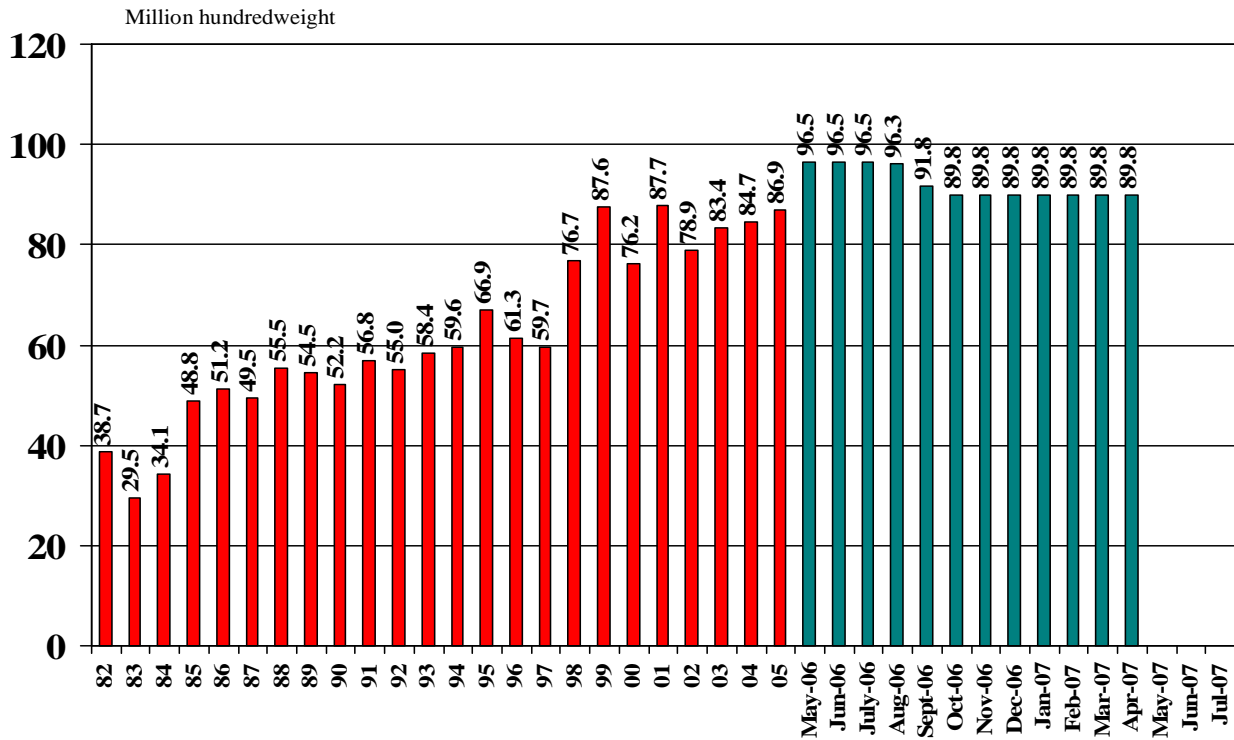


U.S. Long Grain Rice Total Supply 1982/83 – 2006/07



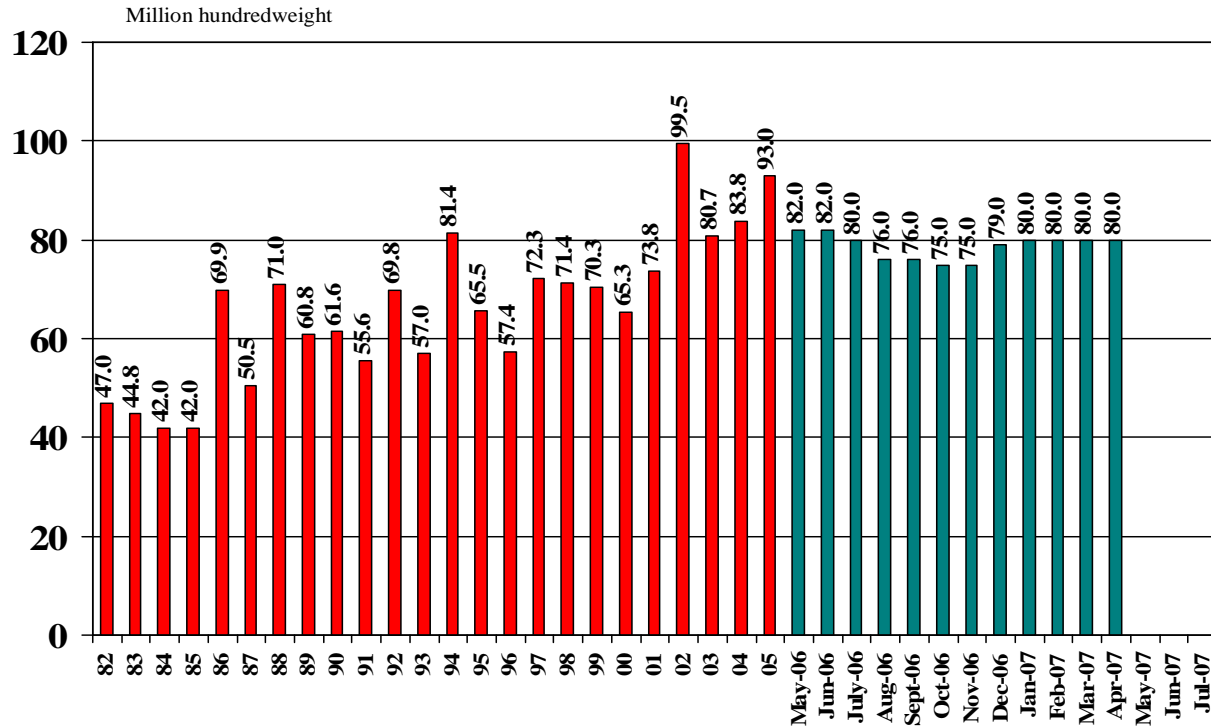
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



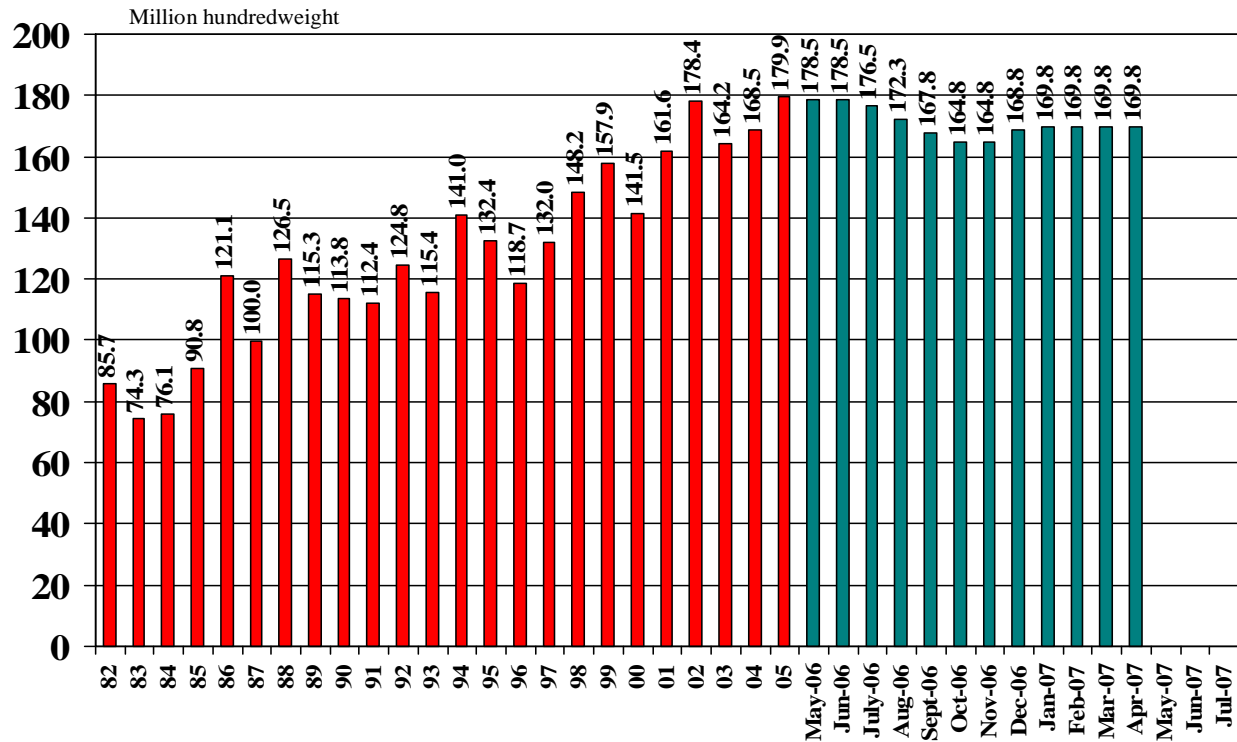
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



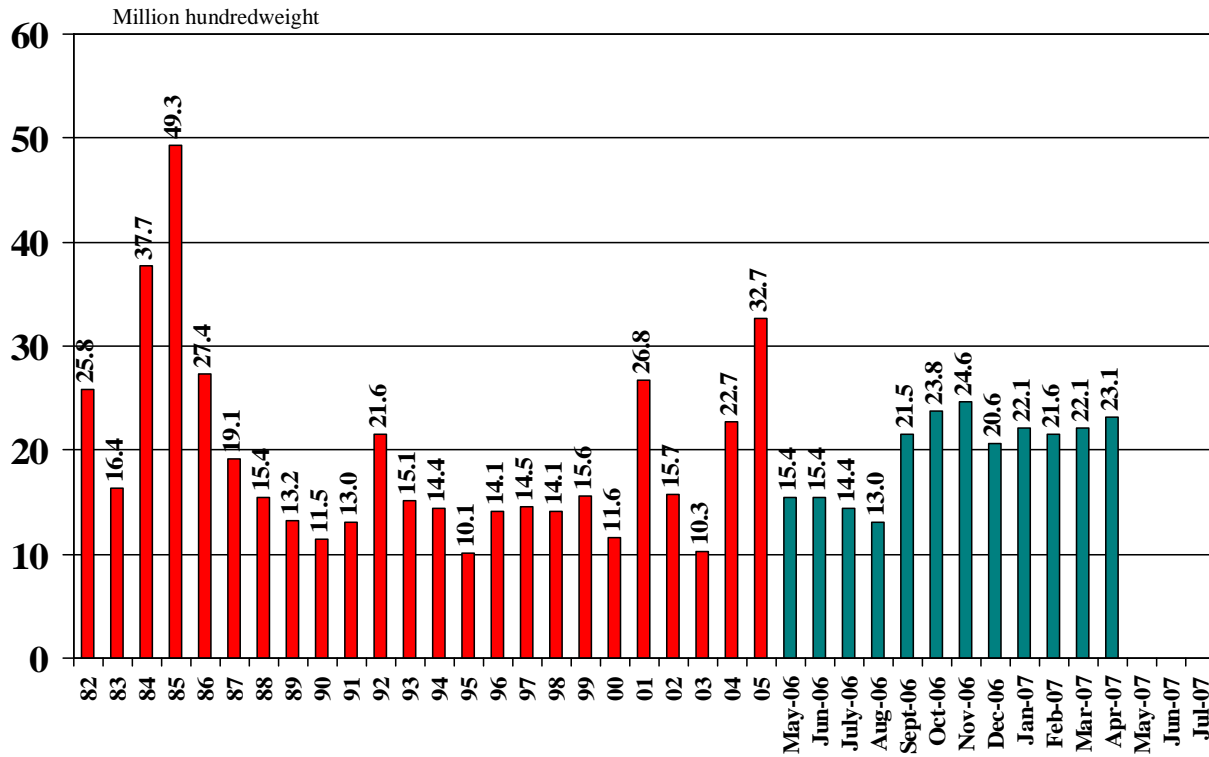
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



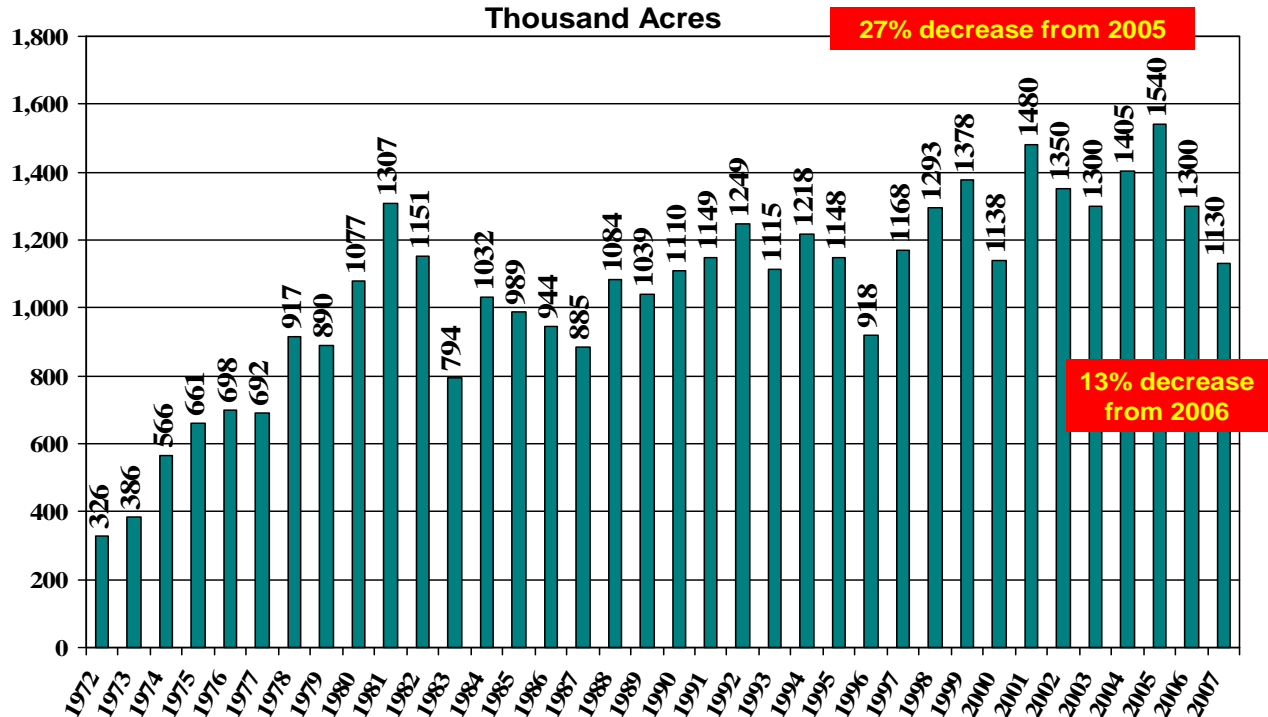
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Ending Stocks 1982/83 – 2006/07



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

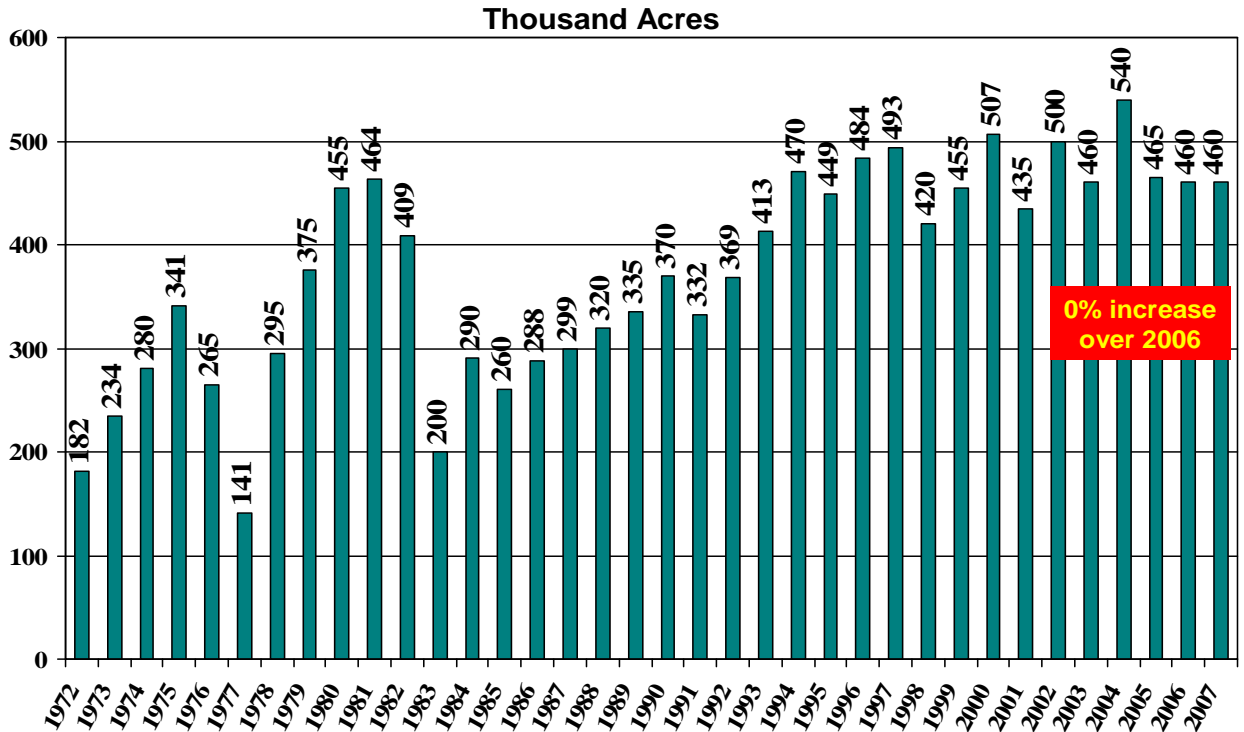
Arkansas Long Grain Rice Planted Acres 1972 – 2006 and Prospective Planting 2007



Source: NASS/USDA Data Set

California Medium Grain Rice

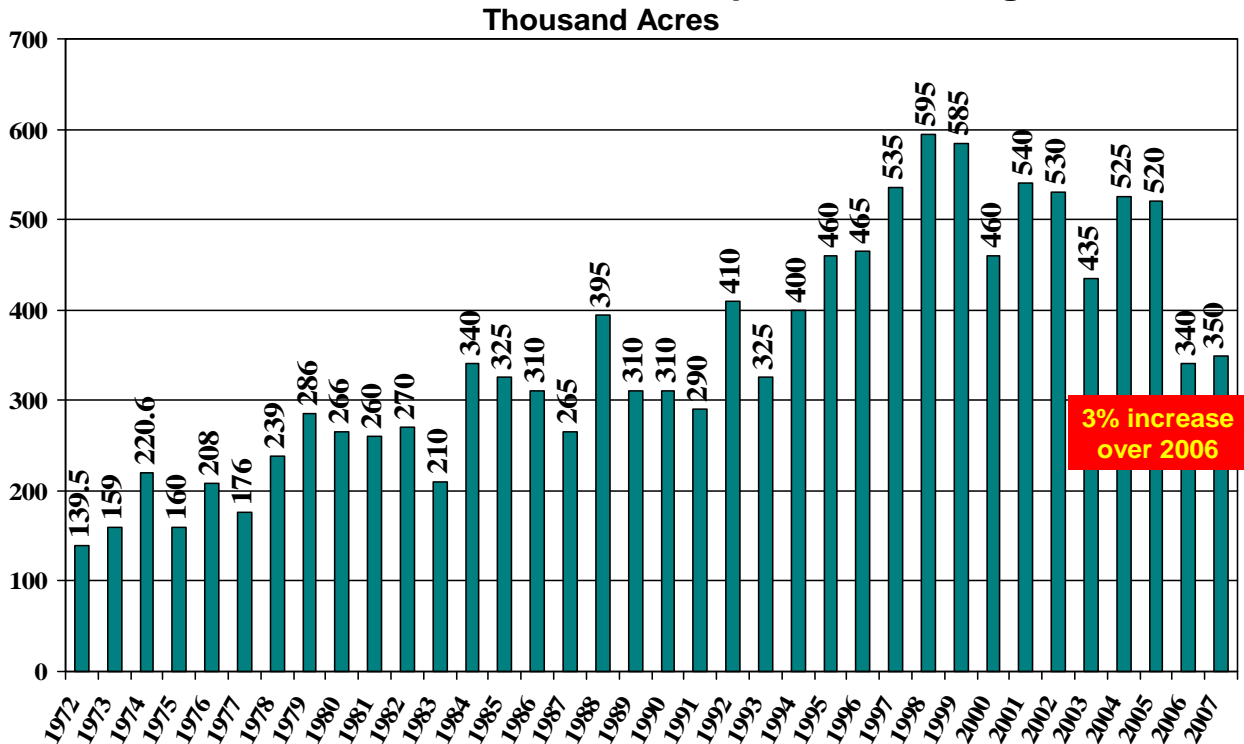
Planted Acres 1972 – 2006 and Prospective Planting 2007



Source: NASS/USDA Data Set

Louisiana Long Grain Rice

Planted Acres 1972 – 2006 and Prospective Planting 2007

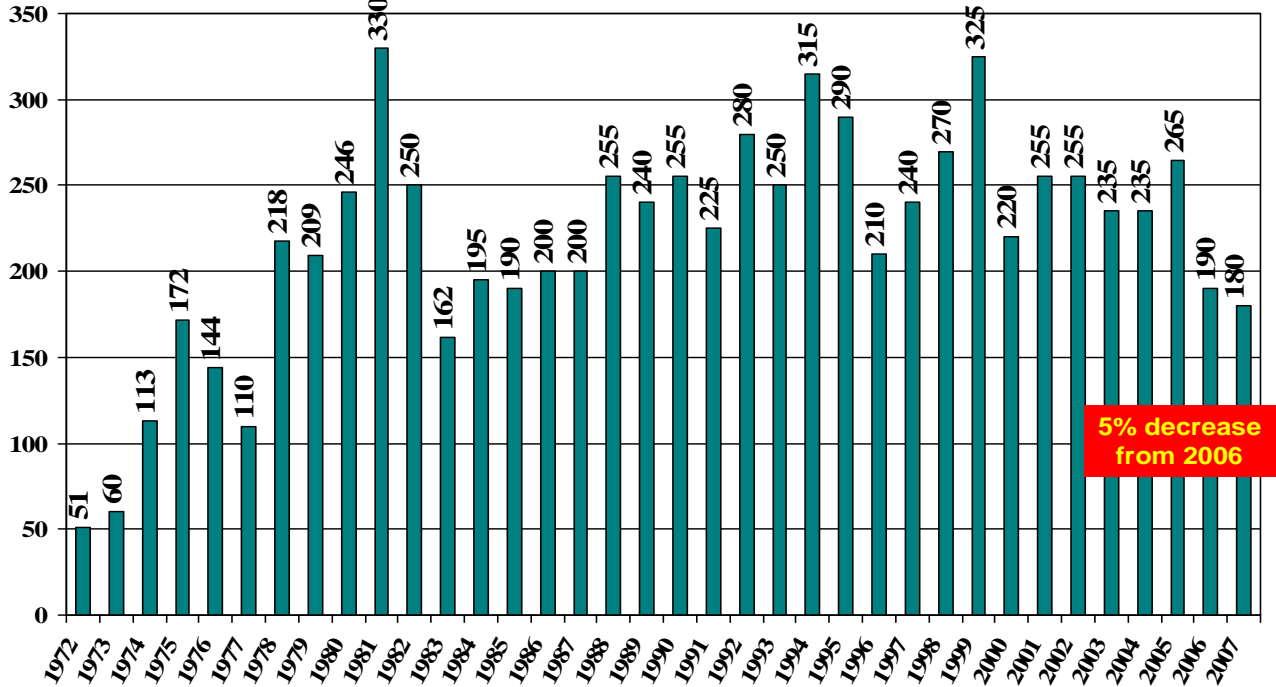


Source: NASS/USDA Data Set

Mississippi Long Grain Rice

Planted Acres 1972 – 2006 and Prospective Planting 2007

Thousand Acres

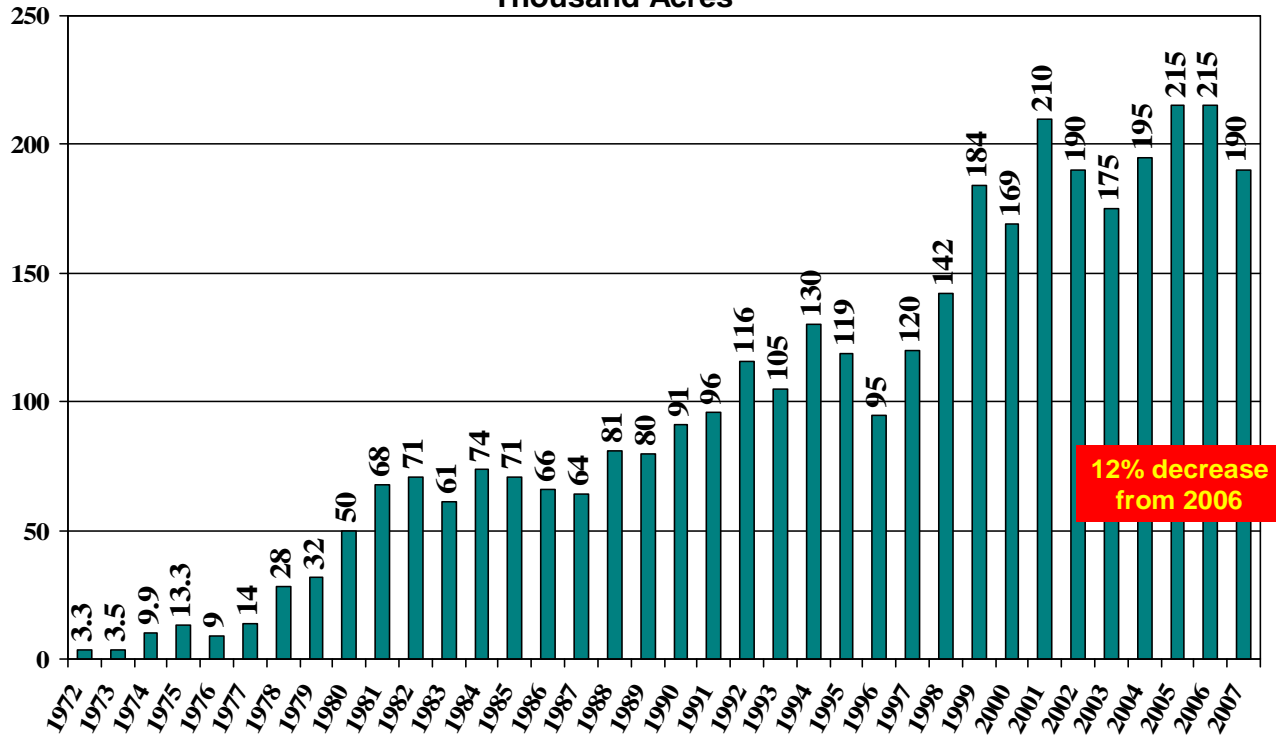


Source: NASS/USDA Data Set

Missouri Long Grain Rice

Planted Acres 1972 – 2006 and Prospective Planting 2007

Thousand Acres

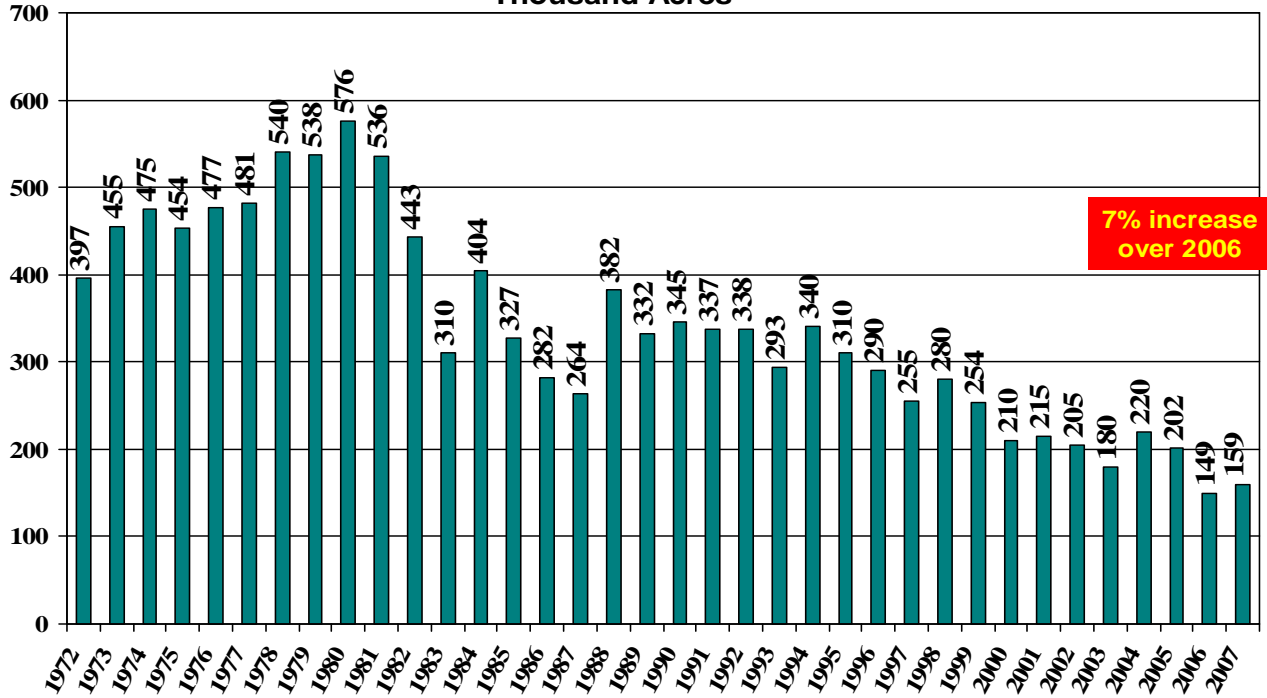


Source: NASS/USDA Data Set

Texas Long Grain Rice

Planted Acres 1972 – 2006 and Prospective Planting 2007

Thousand Acres

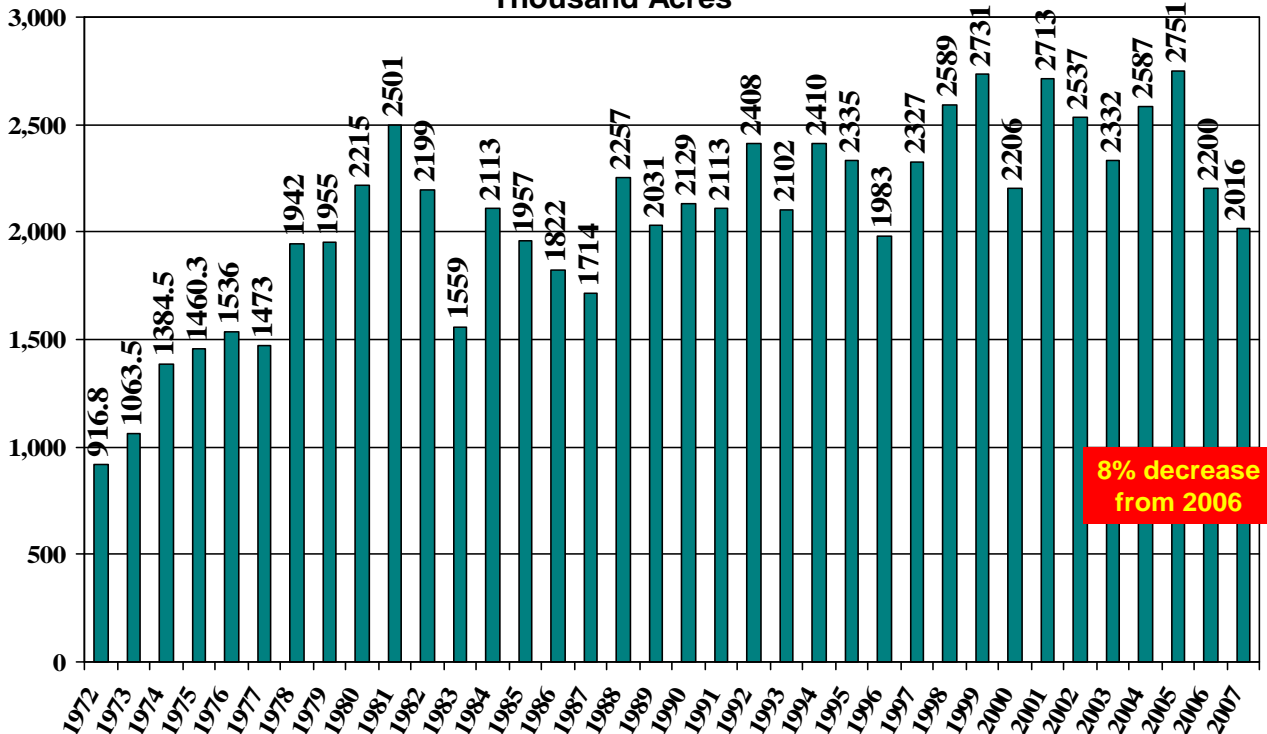


Source: NASS/USDA Data Set

United States Long Grain Rice

Planted Acres 1972 – 2006 and Prospective Planting 2007

Thousand Acres



Source: NASS/USDA Data Set

