

Rice Graphics and Commentary

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By

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USDA in their June Supply and Demand report raised 2007/08 U.S. all rice beginning stocks 12% to 41.9 million cwt, up from last month's 37.4 million cwt. USDA raised all rice imports .5 million cwt to 21.5 million cwt. U.S. 2007/08 all rice total supply for June is 246.4 million cwt, which is up 2% from last month. U.S. all rice total supply is 4.4% below 2006/07 and 11.4% below 2005/06. U.S. all rice exports were increased from 93 to 96 million cwt for 2007/08. This increased 2007/08 total use projections by 3 million cwt to 220.7 million cwt, which is above 2006/07 estimate of 215.8 million cwt and below 2005/06's 235.1 million cwt. Ending stocks are now estimated at 25.7 million cwt, which is above last month's 23.7 million cwt projection but significantly below 2006/07's 41.9 million cwt and 2005/06's 43 million cwt.

Turning to U.S. long grain rice, 2007/08 long grain total supply is estimated at 178.1 million cwt the 6th largest total supply on record. This is up 1.5 million cwt from last month's projection due to the adjustment in beginning stocks. 2007/08 total supply is 8% below 2006/07 and 16% below 2005/06.

On the use side 2007/08 total long grain use is estimated at 162 million cwt, which if achieved would be the 6th largest on record. USDA raised 2007/08 milled long grain exports by 2 million cwt and held domestic and residual use constant at 89 million cwt.

U.S. long grain ending stocks were lowered by .5 million cwt to 16.1 million cwt, significantly below 2006/07's 29.1 million cwt, 2005/06's 32.7 million cwt and 2004/05's 22.7 million cwt. but still the 6th largest since 1988.

It is important to consider the following: World rice consumption continues to exceed world rice production and world rice ending stocks are the lowest since 1983/84. This should be very bullish for the global rice market; however, global rice trade as a percent of world rice production has remained basically flat since 2001/02, which is a function of many countries' desire to be as self sufficient as possible. This protectionistic mindset is limiting global rice trade and bearish for the global rice market.

With global trade in a status quo mode, then the U.S. rice price difference over Thailand rice needs to further fall to the point that the U.S. can move the old crop rice into the export market. In November 2006 the price difference between U.S. and similar Thai rice was \$132, in December \$127, in January 2007 \$115, in February \$109, in March \$93, in April \$91, in May \$87, and in June \$81.

On new crop rice, continued strong global growth only increases global liquidity, which encourages investment and speculation in the food and fiber commodities and this remains bullish for the food and fiber commodities. As I have said, the commodities making up the commodity market continue to display a significant amount of price volatility and uncertainty, due to the dynamics of the global economic setting. I continue to believe professional marketing assistance is advisable from co-ops or individual marketing professionals.

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
May 2007	\$325
June 2007	\$331

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	\$303
May 2007	\$301
June 2007	\$303

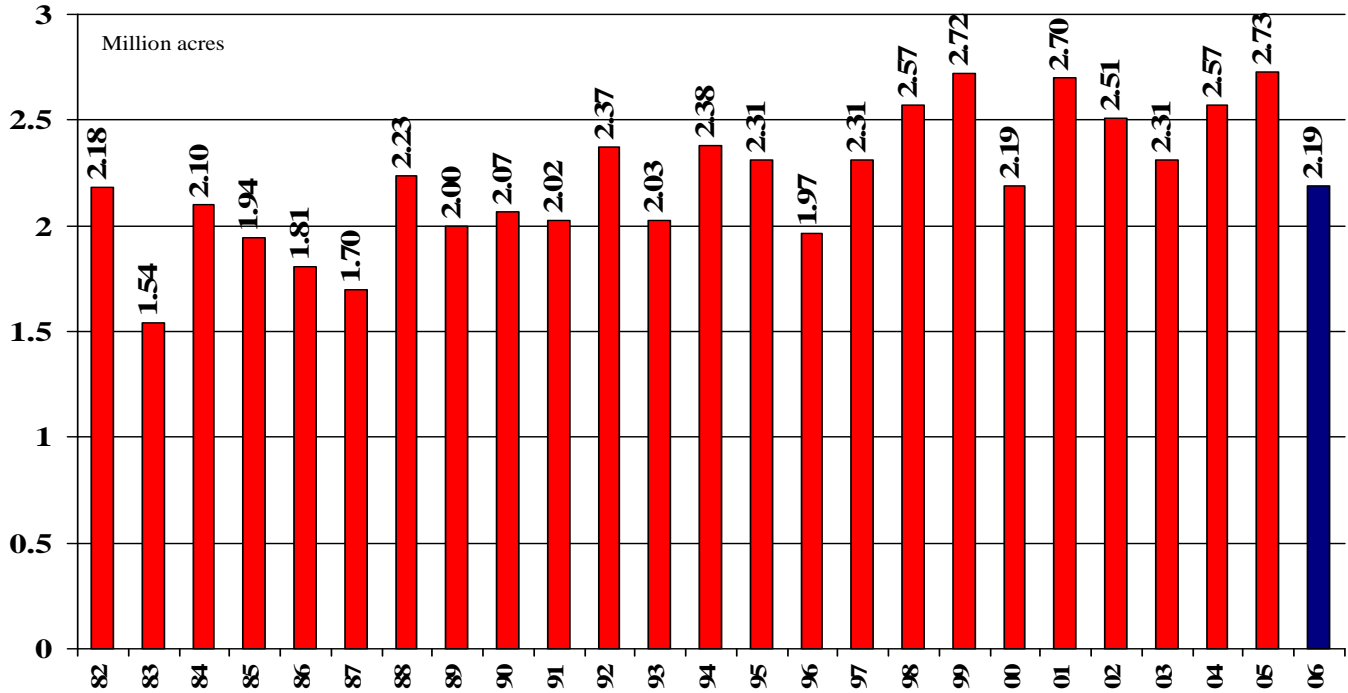
Southern Long Grain rice prices in milled metric tons are as follows:

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	\$415
May 2007	\$412
June 2007	\$412

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

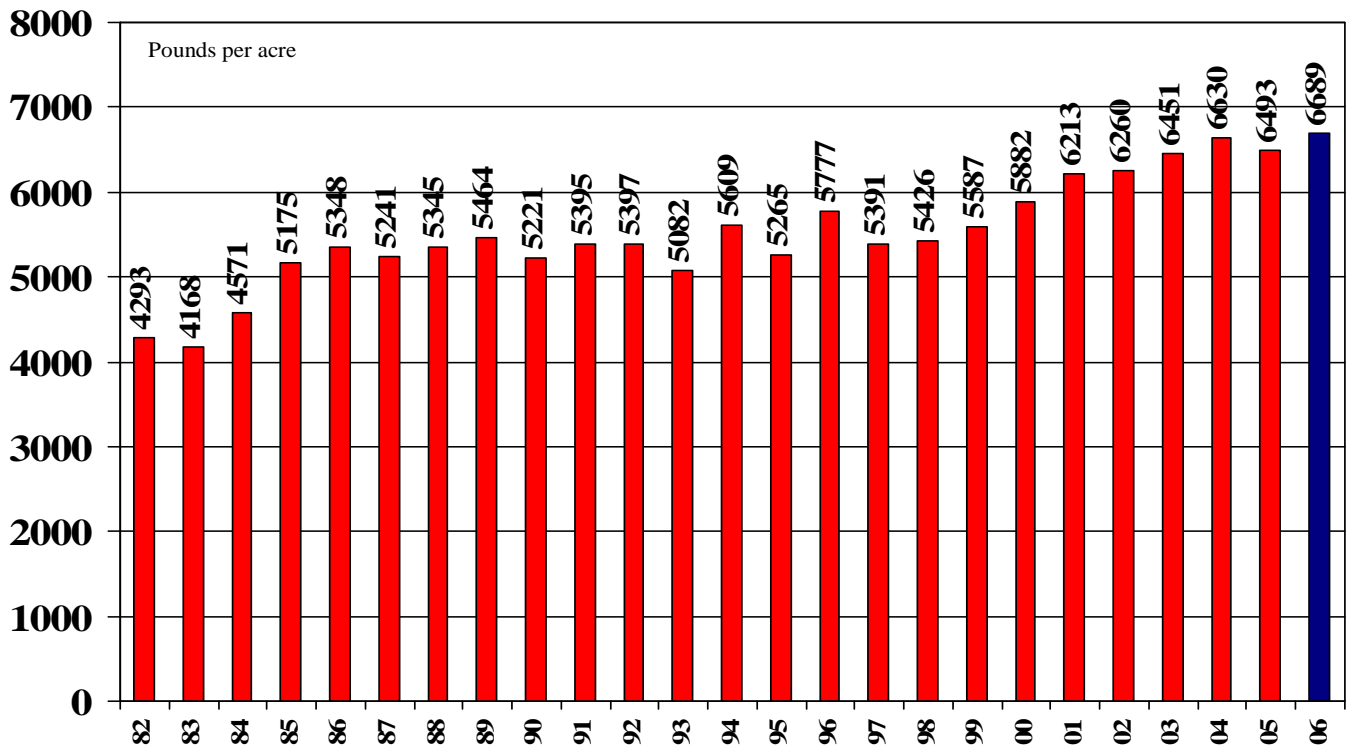
2000/01	\$157
2001/02	\$107
2002/03	\$123
2003/04	\$206
2004/05	\$176
August 2005	\$157
September 2005	\$165
October 2005	\$176
November 2005	\$183
December 2005	\$188
January 2006	\$201
February 2006	\$205
March 2006	\$205
April 2006	\$205
May 2006	\$202
June 2006	\$202
July 2006	\$213
August 2006	\$220
September 2006	\$227
October 2006	\$242
November 2006	\$245
December 2006	\$245
January 2007	\$243
February 2007	\$240
March 2007	\$240
April 2007	\$240
May 2007	\$237
June 2007	\$235

U.S. Long Grain Rice Harvested Acres 1982/83 – 2007/08



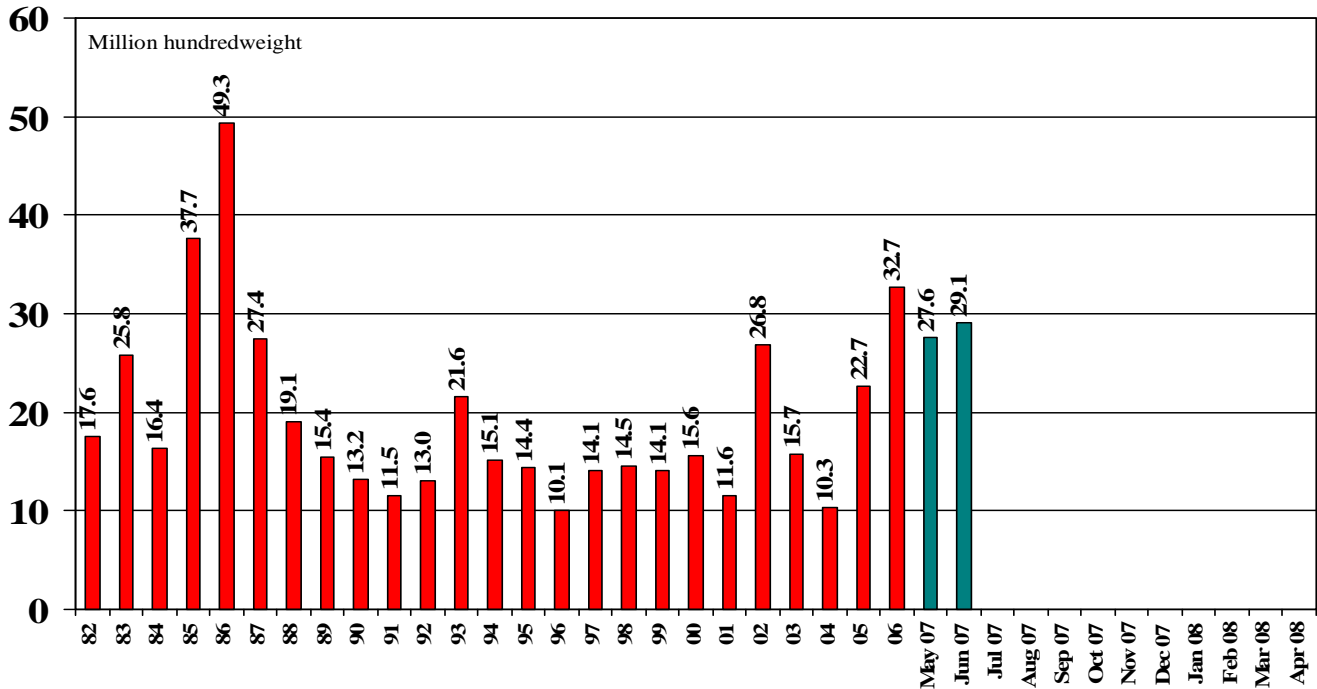
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Yield 1982/03 – 2007/08



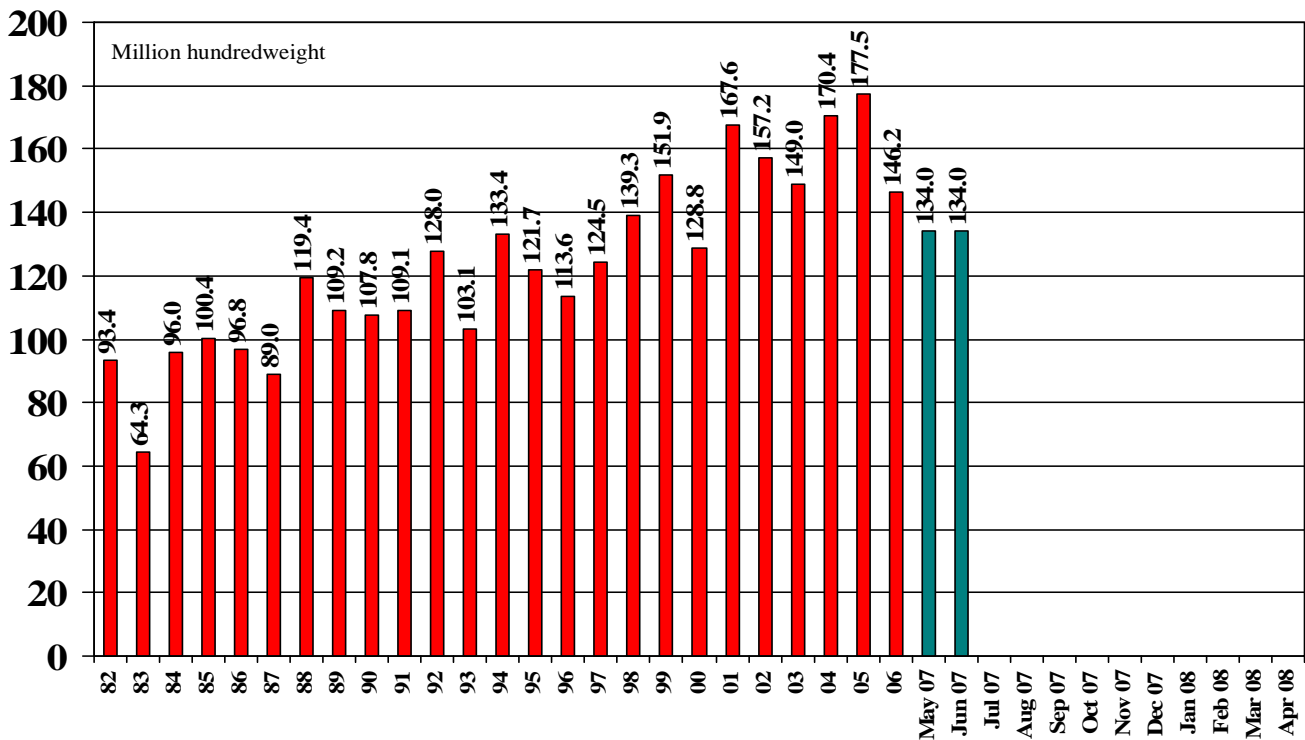
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Beginning Stocks 1982/83 – 2007/08



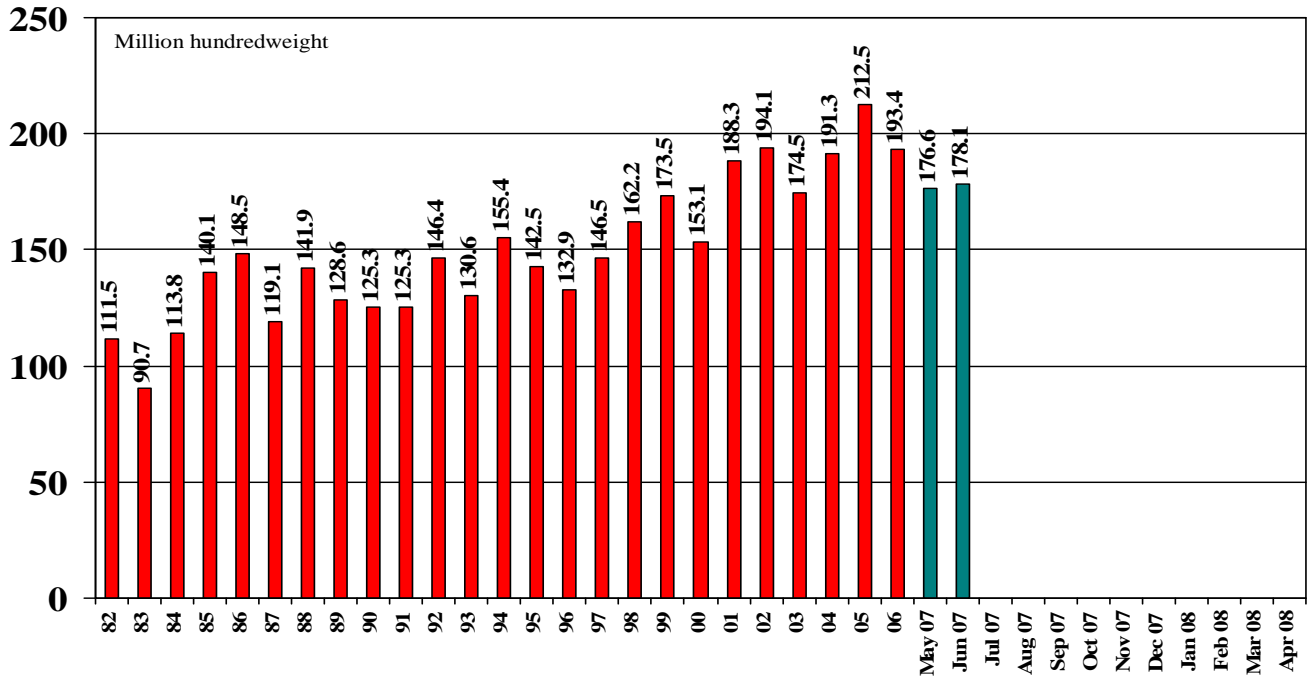
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Production 1982/83 – 2007/08



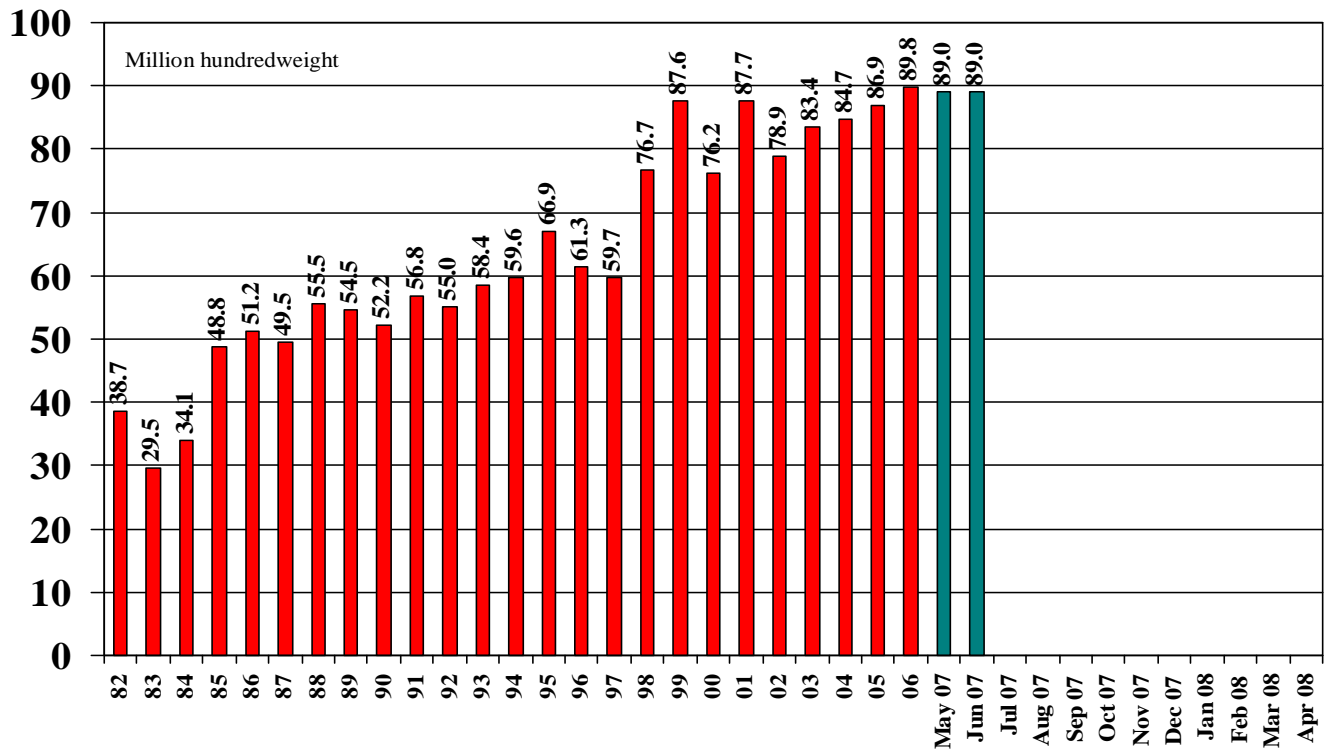
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Supply 1982/83 – 2007/08



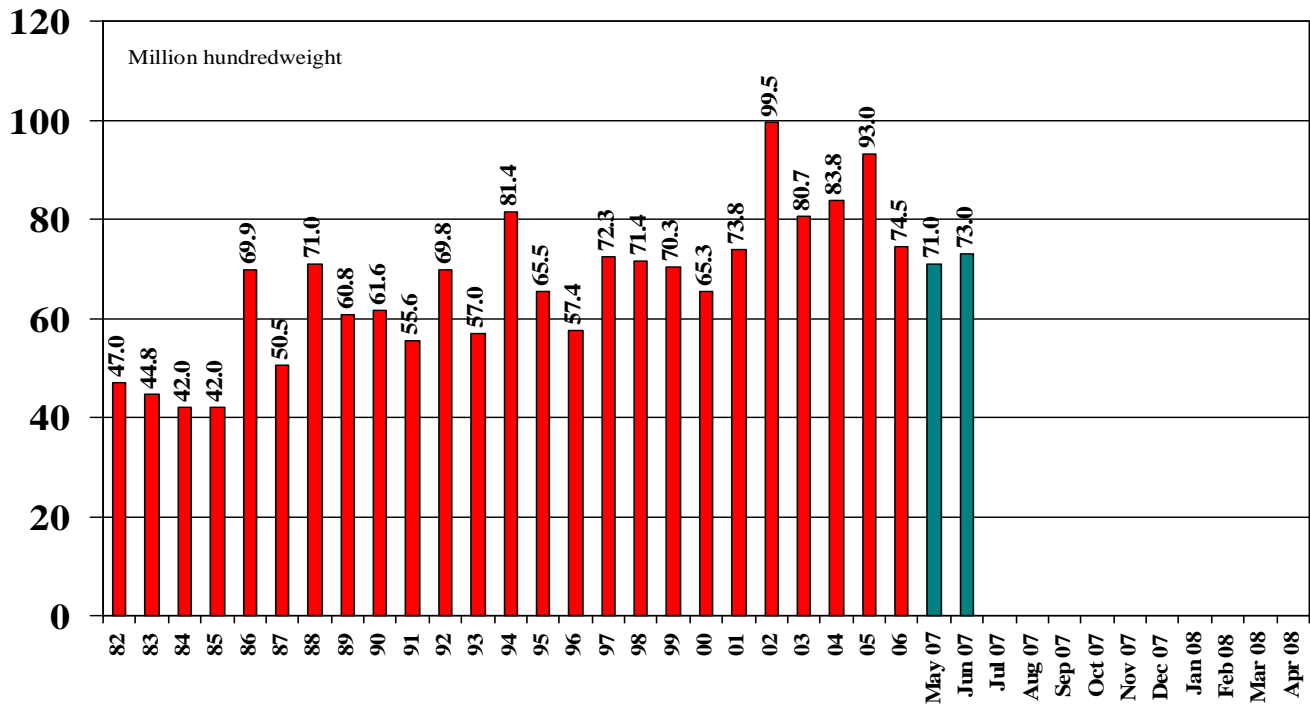
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Domestic & Residual 1982/83 – 2007/08



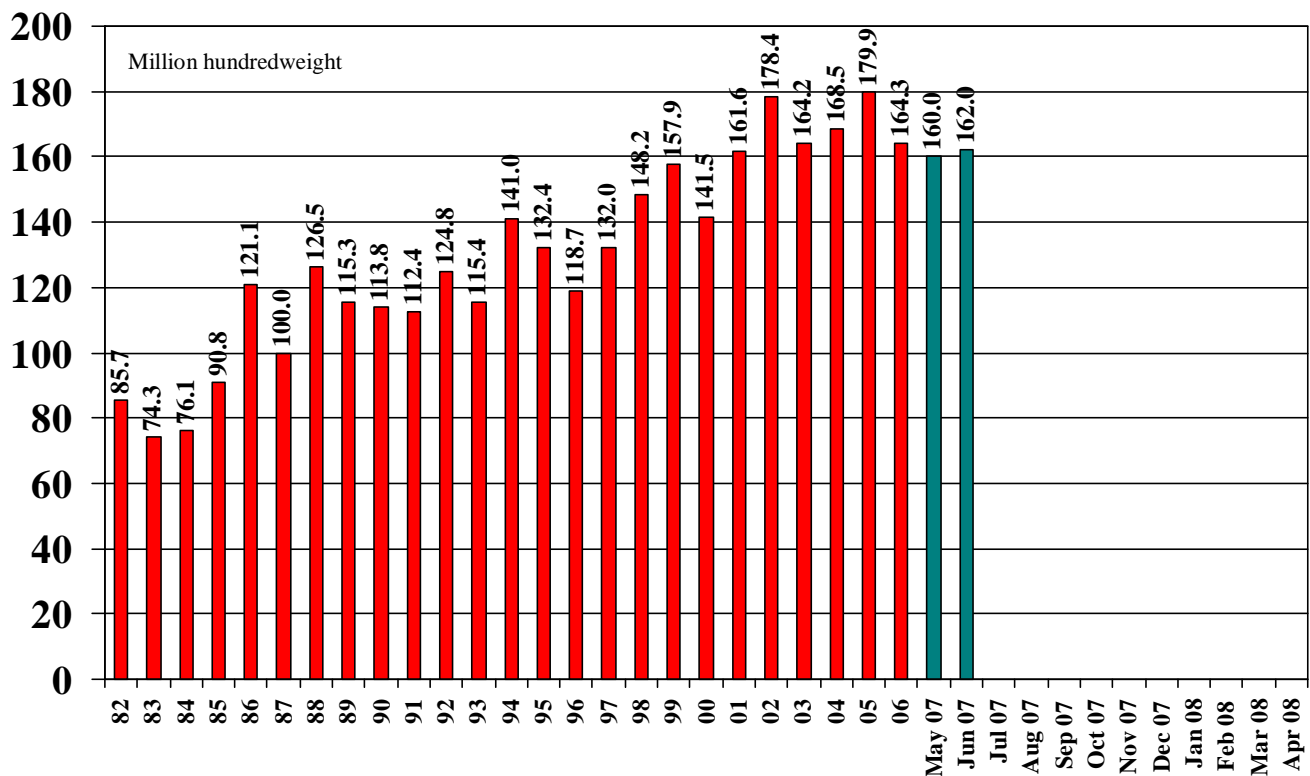
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Exports 1982/83 – 2007/08



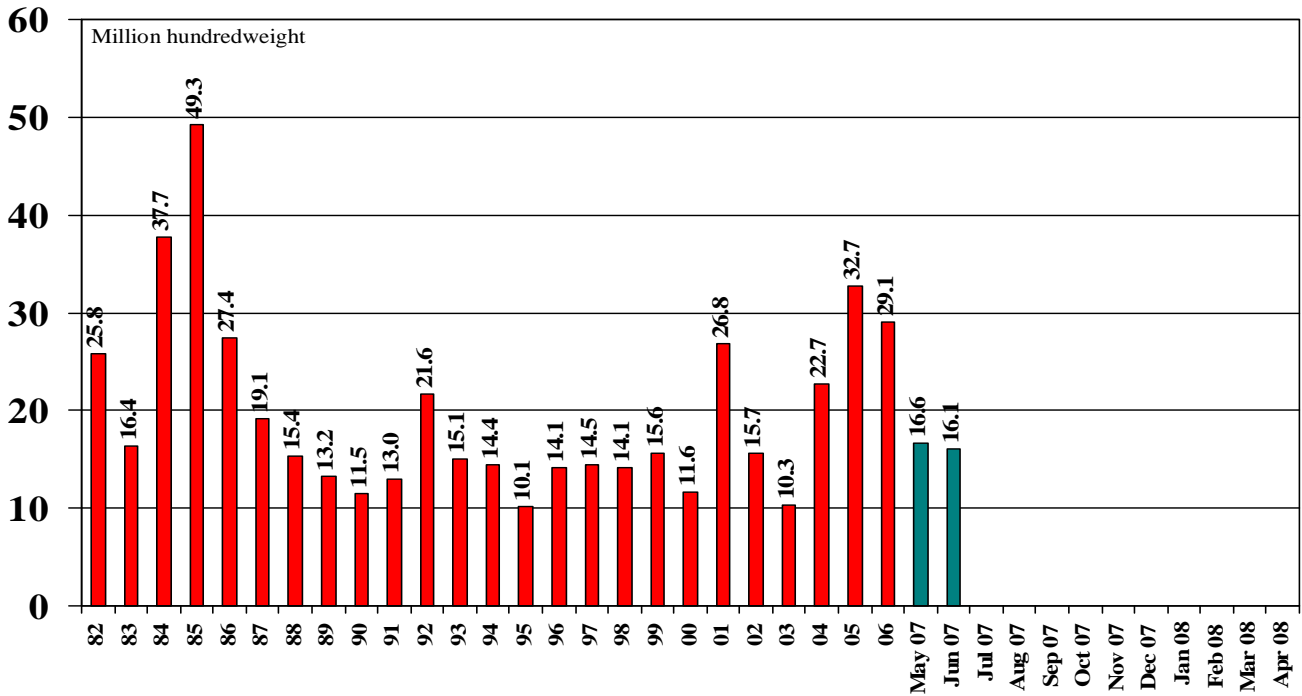
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Total Use 1982/83 – 2007/08



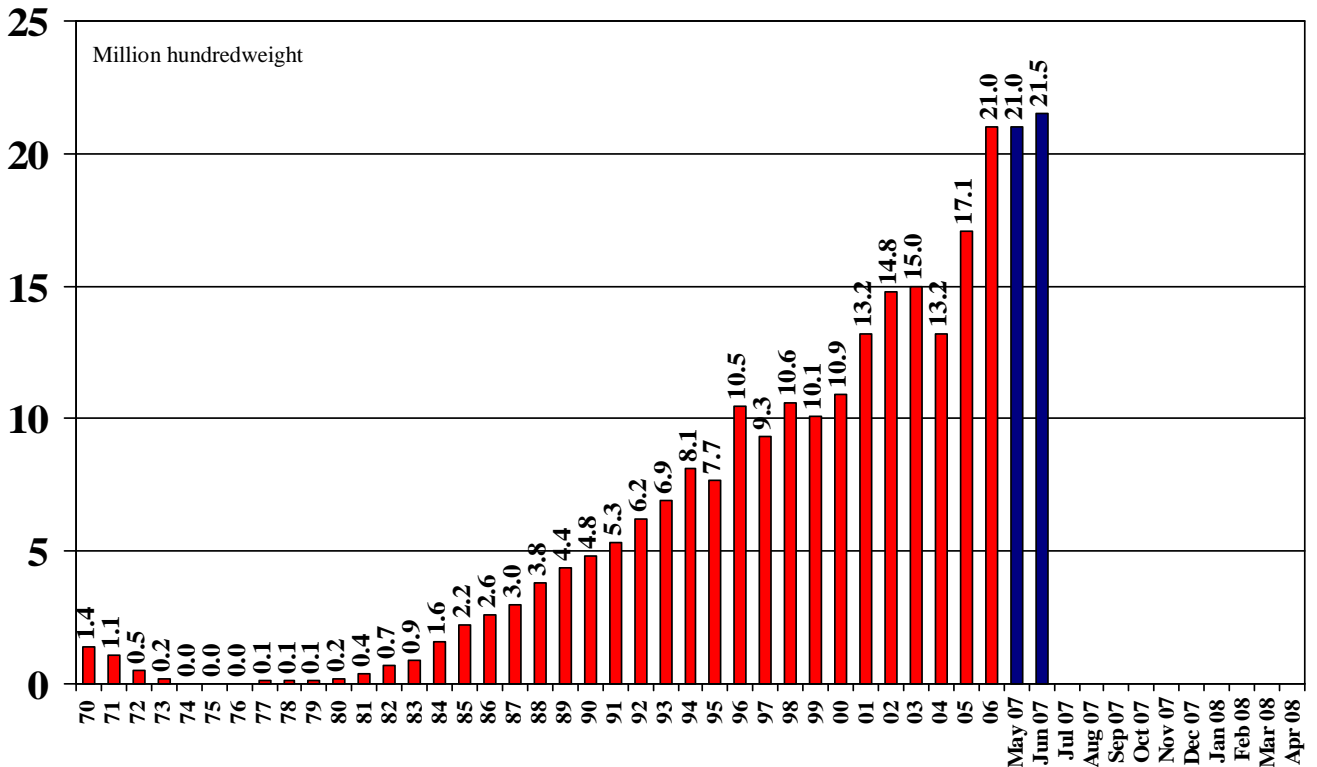
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. Long Grain Rice Ending Stocks 1982/83 – 2007/08



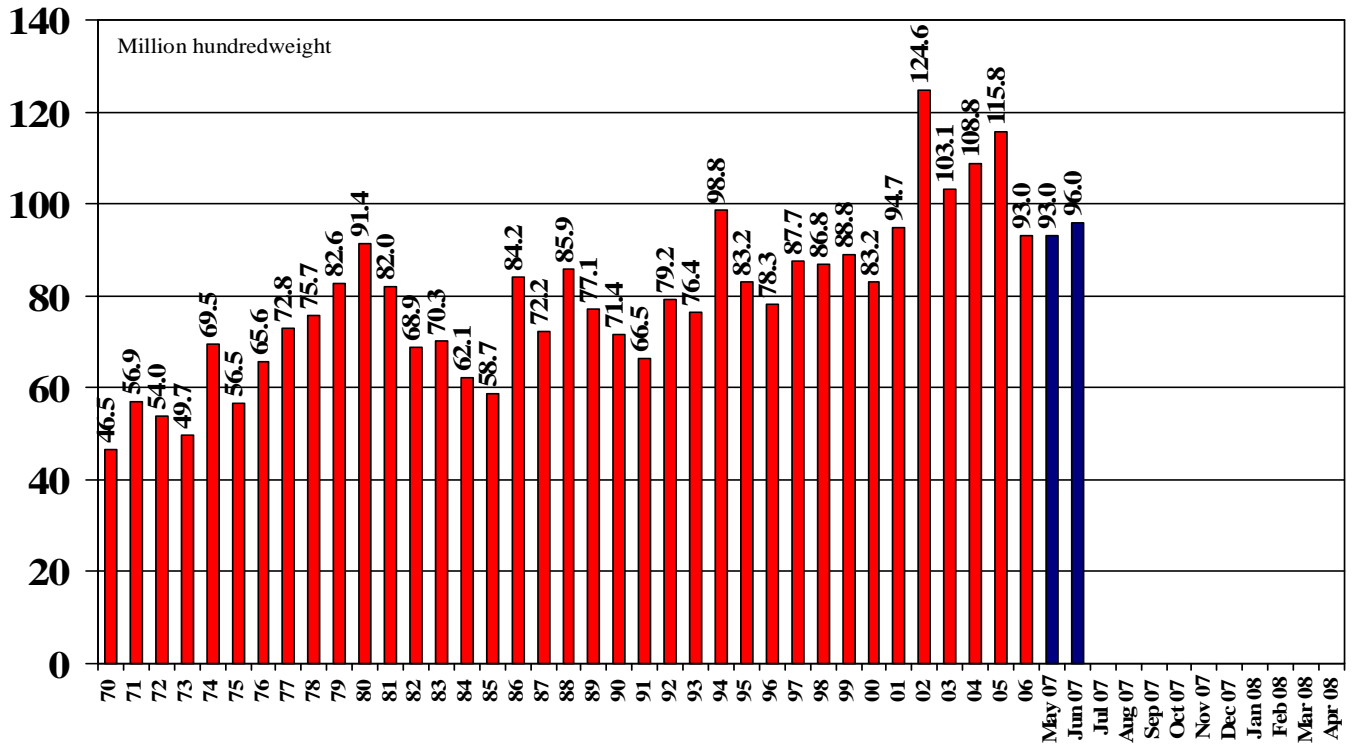
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. All Rice Imports 1970/71 – 2007/08



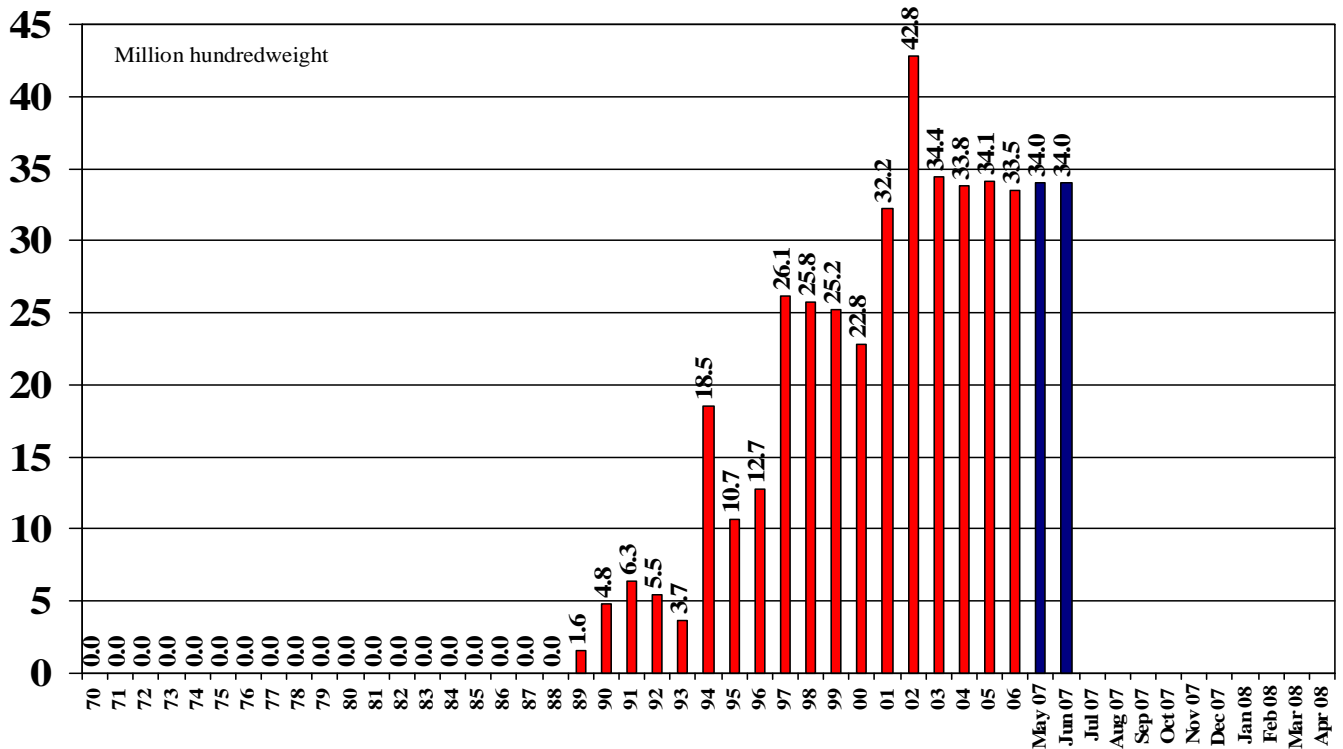
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. All Rice Total Exports 1970/71 – 2007/08



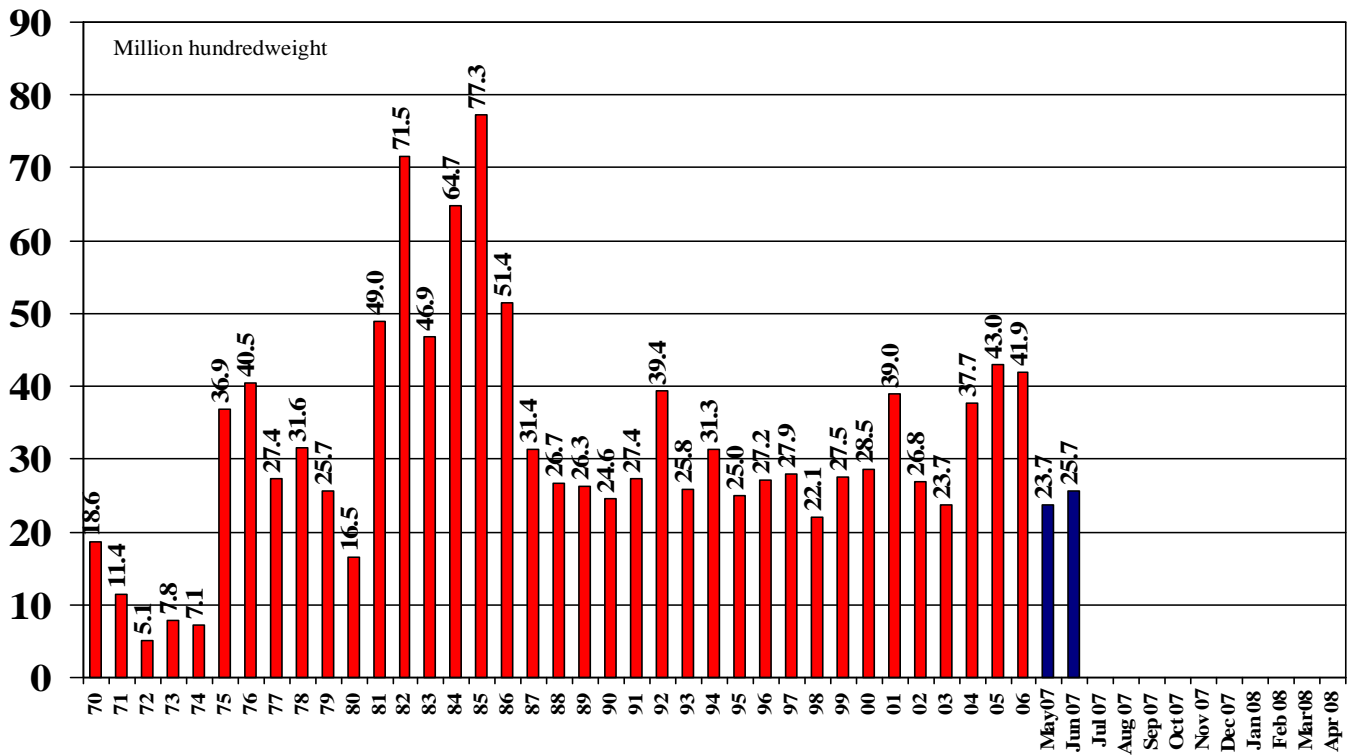
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. All Rice Rough Exports 1970/71 – 2007/08



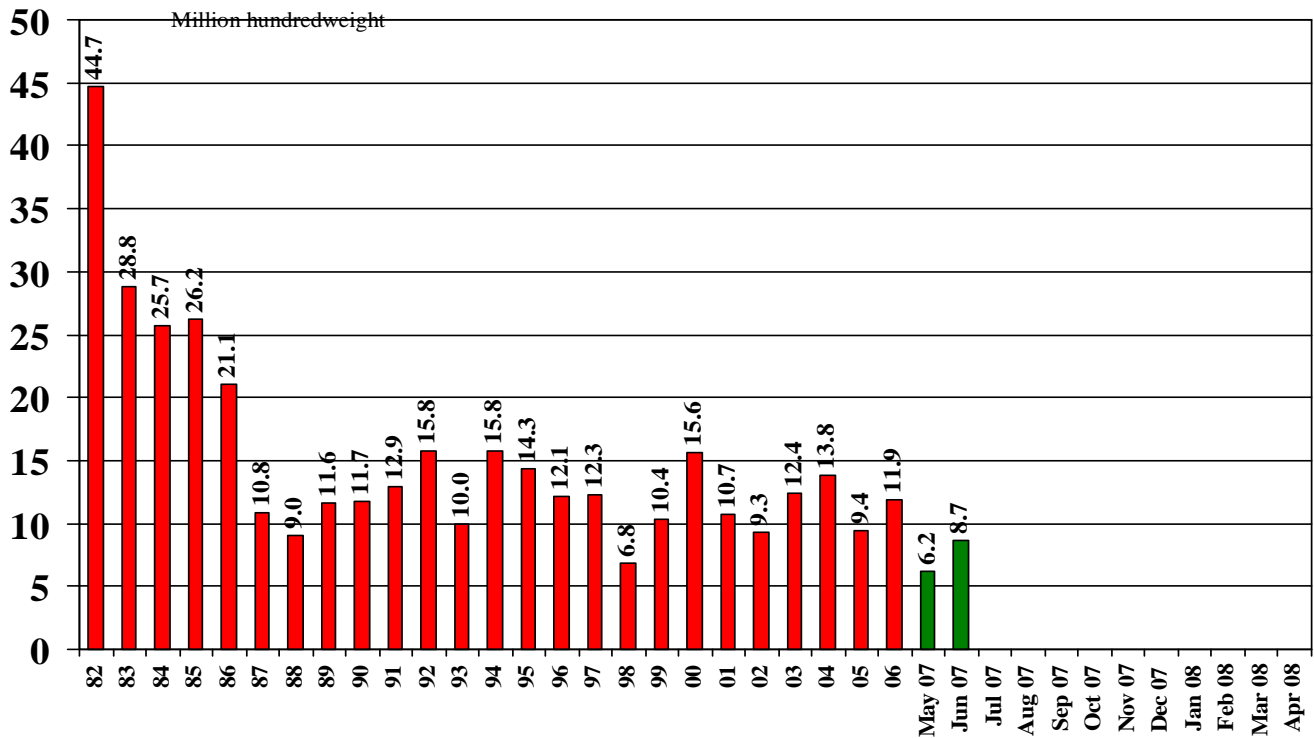
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

U.S. All Rice Ending Stocks 1970/71 – 2007/08



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

U.S. Medium and Short Grain Rice Ending Stocks 1982/83 – 2007/08



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

