

**Rice Graphics and Commentary**  
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**By**

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Data taken from USDA's September rice projections showed the following:

- ◆ USDA reduced 2007 U.S. long grain rice production from 140 million cwt to 138.2 million cwt. This is the lowest U.S. long grain production since 2000, but still the 9<sup>th</sup> largest on record.
- ◆ Total long grain supply was lowered from 185.6 million cwt to 181.8 million cwt. which is the lowest since 2003, but still the sixth largest on record.
- ◆ U.S. long grain exports were lowered from 79 million cwt to 77 million cwt, which is above the last marketing periods 72.7 million cwt and the sixth largest on record.
- ◆ U.S. long grain total use is projected at 166 million cwt the 4<sup>th</sup> largest on record and above last years 164.6 million cwt.
- ◆ U.S. long grain ending stocks are estimated at 15.8 million cwt significantly below the previous marketing periods 28.5 million cwt. and more in line with a normal ending stocks expectation.

Turning to the price outlook for long grain rice, first the U.S. Federal Reserve signaled with their recent rate cut their acknowledgment economic growth presents a problem and their intent to contribute to sustaining U.S. and global growth. Yes, inflation remains a concern and yes, there is much speculation about the future strength or weakness in the dollar. The point is that global economic momentum remains strong and so does the demand for most commodities including the food and fiber commodities. The Fed's move continues bullish for the market.

This week, the week of October 2, will be interesting to study. Presently, the price trend in wheat, soybeans, corn, cotton, and rice remains up. Things to consider include at what point does wheat put in a top; will soybeans correct before continuing higher? Corn gives every indication of price strength. Cotton continues to show price strength making one wonder how many cotton acres will return back to cotton production next year especially in Arkansas and the Delta region. Both cotton and rice are extremely expensive crops to produce, so producers will be seeking pricing opportunities that will allow their operations to cash flow. Few analysts truly appreciate the cost increases our producers have experienced since 2002.

As for rice, my expectation is the Chicago futures price will continue in step with the other grains and soybean prices. U.S. producers continue to remain at a significant disadvantage in the milled rice export market (see data below). Commodities continue to display a significant amount of price volatility and uncertainty, due to the dynamics of the global economic setting; therefore 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	\$312
January 2007	\$320
February 2007	\$323
March 2007	\$327
April 2007	\$324
May 2007	\$325
June 2007	\$331
July 2007	\$335
August 2007	\$334
September 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
July 2007	\$307
August 2007	\$316
September 2007	\$320

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
July 2007	\$407
August 2007	\$410
September 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
May 2007	\$237
June 2007	\$235
July 2007	\$235
August 2007	\$249
September 2007	\$283

**Rice: Area Planted and Harvested by Class, State, and  
United States, 2005-2006 and Forecasted September 1, 2007<sup>1</sup>**

Class and State	Area Planted			Area Harvested		
	2005	2006	2007 <sup>2</sup>	2005	2006	2007 <sup>2</sup>
	<b>Long Grain</b>					
	<i>1,000 Acres</i>	<i>1,000 Acres</i>	<i>1,000 Acres</i>	<i>1,000 Acres</i>	<i>1,000 Acres</i>	<i>1,000 Acres</i>
AR	1,540.0	1,300.0	1,185.0	1,533.0	1,295.0	1,180.0
CA	9.0	6.0	9.0	9.0	5.0	9.0
LA	520.0	340.0	355.0	515.0	335.0	350.0
MS	265.0	190.0	190.0	263.0	189.0	189.0
MO	215.0	215.0	179.0	213.0	213.0	177.0
TX	202.0	149.0	143.0	201.0	149.0	143.0
US	2,751.0	2,200.0	2,061.0	2,734.0	2,186.0	2,048.0
	<b>Medium Grain</b>					
AR	102.0	105.0	145.0	101.0	104.0	144.0
CA	465.0	460.0	445.0	463.0	458.0	442.0
LA	10.0	10.0	23.0	10.0	10.0	23.0
MO	1.0	1.0	1.0	1.0	1.0	1.0
TX	0.0	1.0	3.0	0.0	1.0	3.0
US	578.0	577.0	617.0	575.0	574.0	613.0
	<b>Short Grain</b>					
AR	1.0	1.0	1.0	1.0	1.0	1.0
CA	54.0	60.0	69.0	54.0	60.0	69.0
US	55.0	61.0	70.0	55.0	61.0	70.0
	<b>All</b>					
AR	1,643.0	1,406.0	1,331.0	1,635.0	1,400.0	1,325.0
CA	528.0	526.0	523.0	526.0	523.0	520.0
LA	530.0	350.0	378.0	525.0	345.0	373.0
MS	265.0	190.0	190.0	263.0	189.0	189.0
MO	216.0	216.0	180.0	214.0	214.0	178.0
TX	202.0	150.0	146.0	201.0	150.0	146.0
US	3,384.0	2,838.0	2,748.0	3,364.0	2,821.0	2,731.0

<sup>1</sup> Sweet rice acreage and production included with short grain.

<sup>2</sup> Updated from "Acreage" released June 29, 2007.

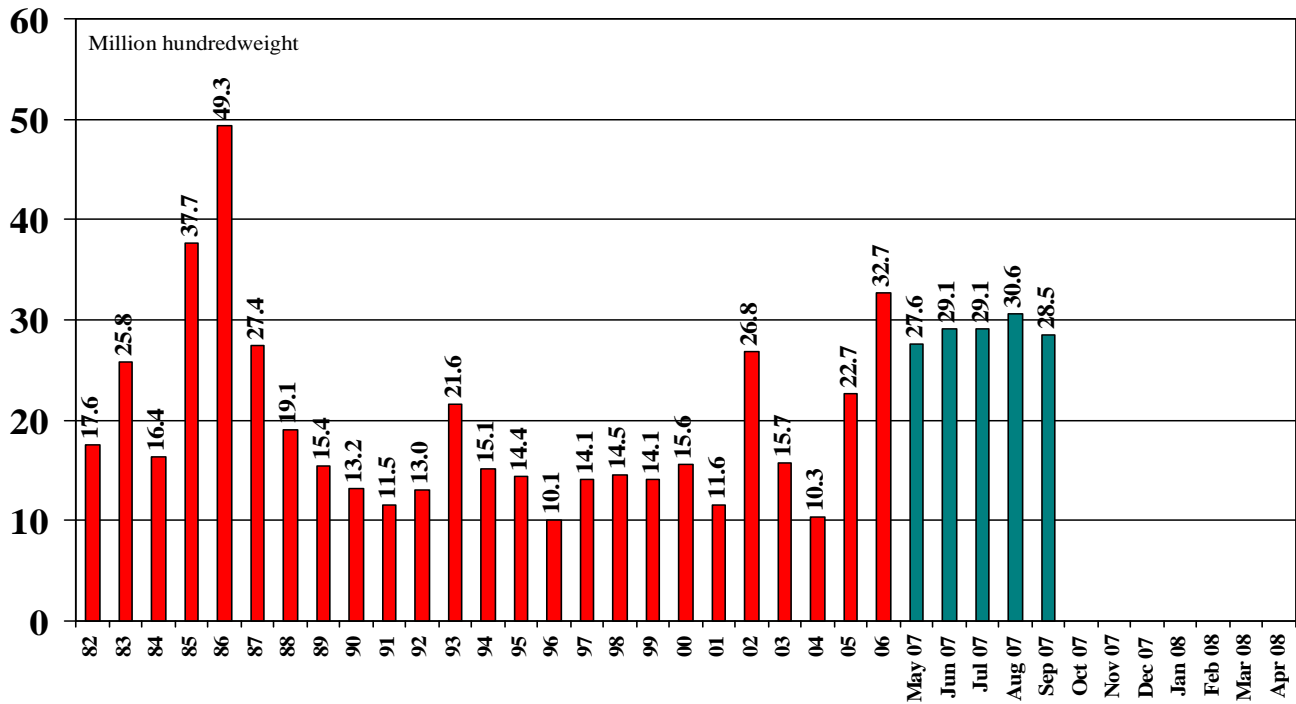
**Rice: Yield and Production by Class, State, and  
United States, 2005-2006 and Forecasted September 1, 2007 <sup>1</sup>**

Class and State	Yield				Production		
	2005	2006	2007		2005	2006	2007 <sup>2</sup>
			Aug 1	Sep 1			
<b>Long Grain</b>							
	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>1,000 Cwt</i>	<i>1,000 Cwt</i>	<i>1,000 Cwt</i>
AR	6,650	6,860			101,945	88,837	
CA	7,100	5,800			639	290	
LA	5,900	5,820			30,385	19,497	
MS	6,400	7,000			16,832	13,230	
MO	6,600	6,400			14,058	13,632	
TX	6,800	7,200			13,668	10,728	
US	6,493	6,689			177,527	146,214	138,240
<b>Medium Grain</b>							
AR	6,720	6,750			6,787	7,020	
CA	7,550	7,880			34,957	36,090	
LA	5,980	5,960			598	596	
MO	6,600	6,400			66	64	
TX	0	3,200			0	32	
US	7,375	7,631			42,408	43,802	49,144
<b>Short Grain</b>							
AR	6,000	6,000			60	60	
CA	6,000	6,100			3,240	3,660	
US	6,000	6,098			3,300	3,720	4,445
<b>All</b>							
AR	6,650	6,850	6,950	6,950	108,792	95,917	92,088
CA	7,380	7,660	8,000	8,200	38,836	40,040	42,640
LA	5,900	5,820	5,900	6,000	30,983	20,093	22,380
MS	6,400	7,000	7,100	7,100	16,832	13,230	13,419
MO	6,600	6,400	6,700	6,800	14,124	13,696	12,104
TX	6,800	7,170	6,800	6,300	13,668	10,760	9,198
US	6,636	6,868	6,984	7,024	223,235	193,736	191,829

<sup>1</sup> Sweet rice acreage and production included with short grain.

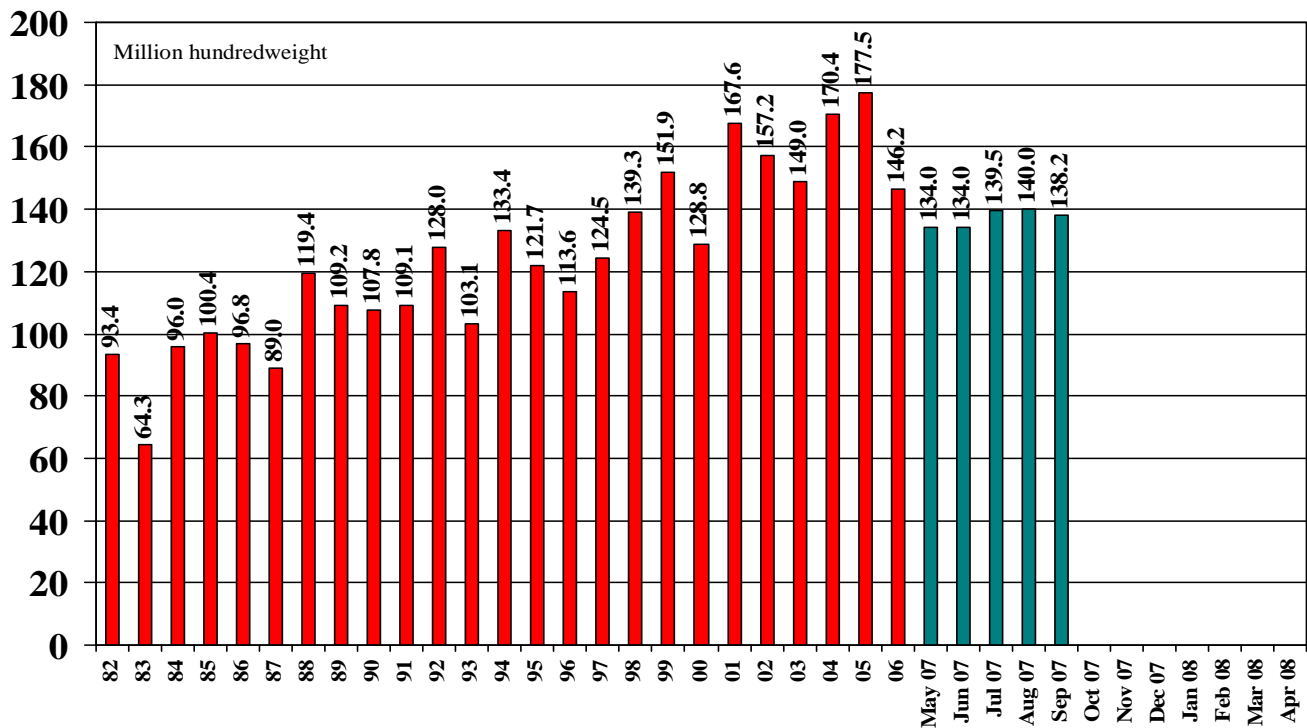
<sup>2</sup> Indicated September 1, 2007, rice class estimates are based on a 5-year average of class percentages. The class percentages are adjusted as data become available through the growing season. State estimates by class will be published in the "Crop Production 2007 Summary."

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



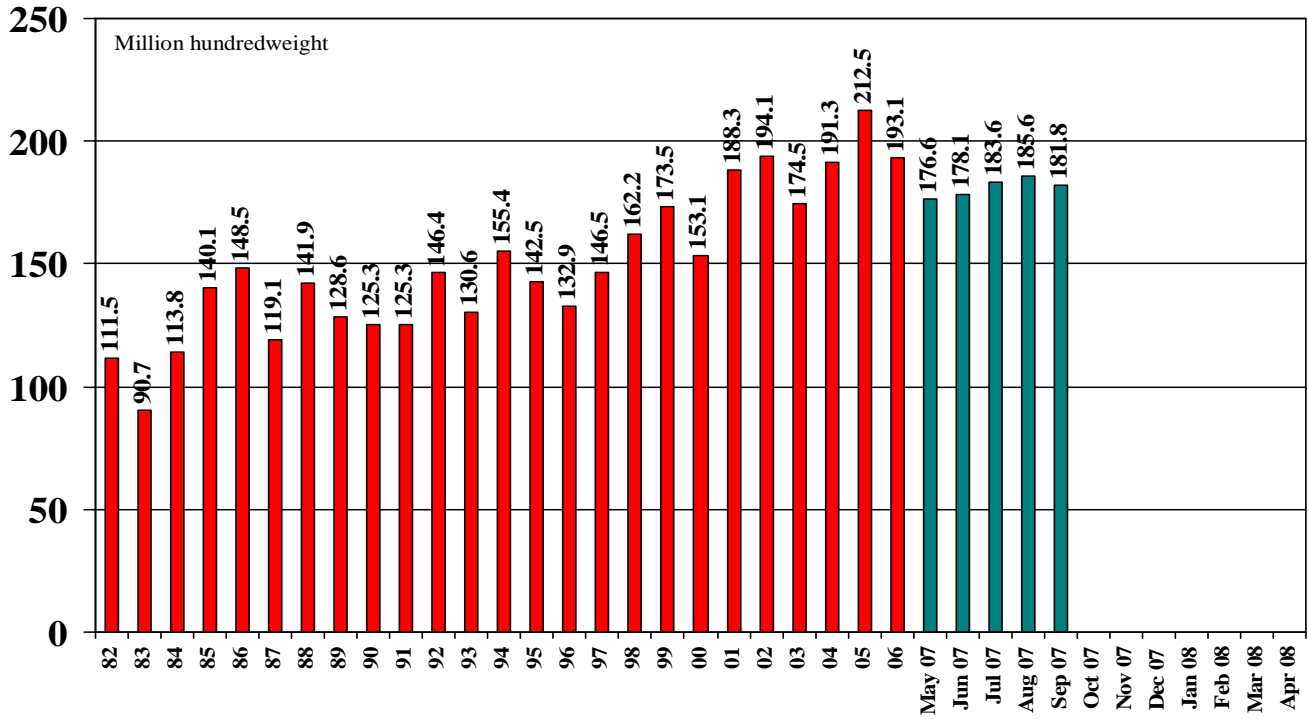
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



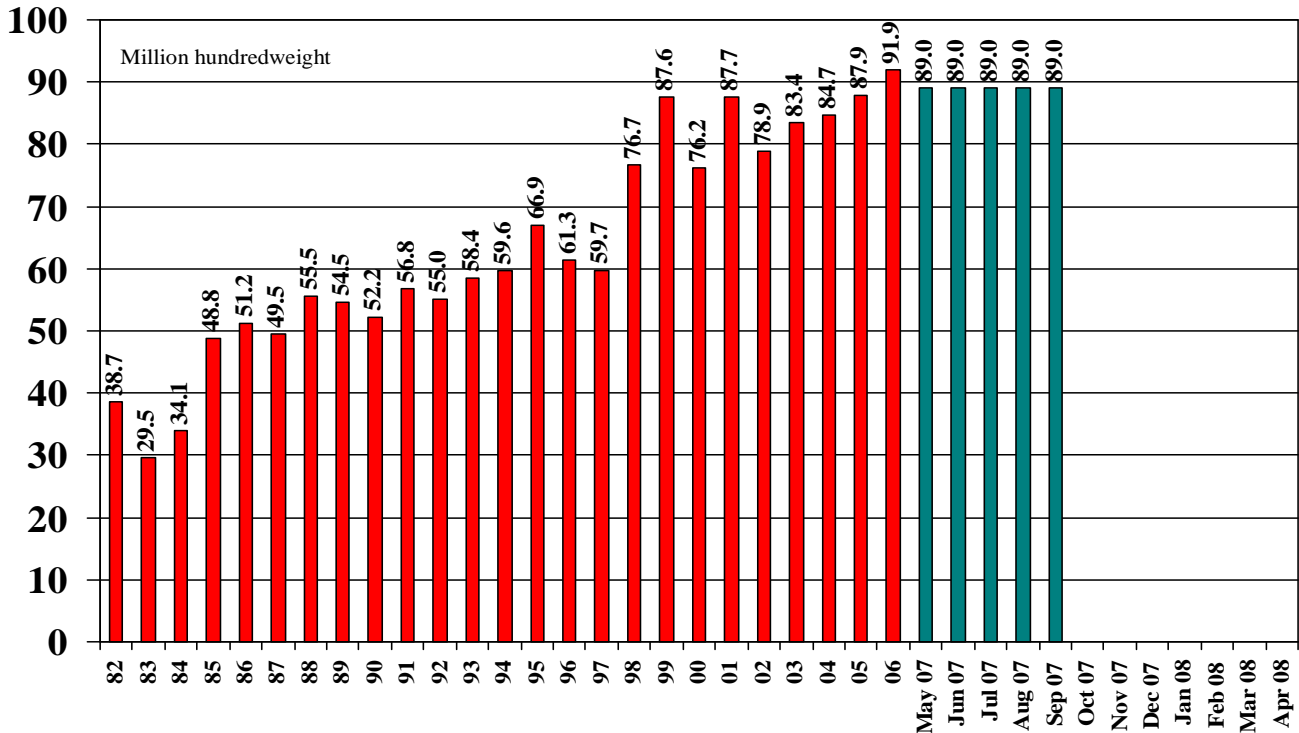
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



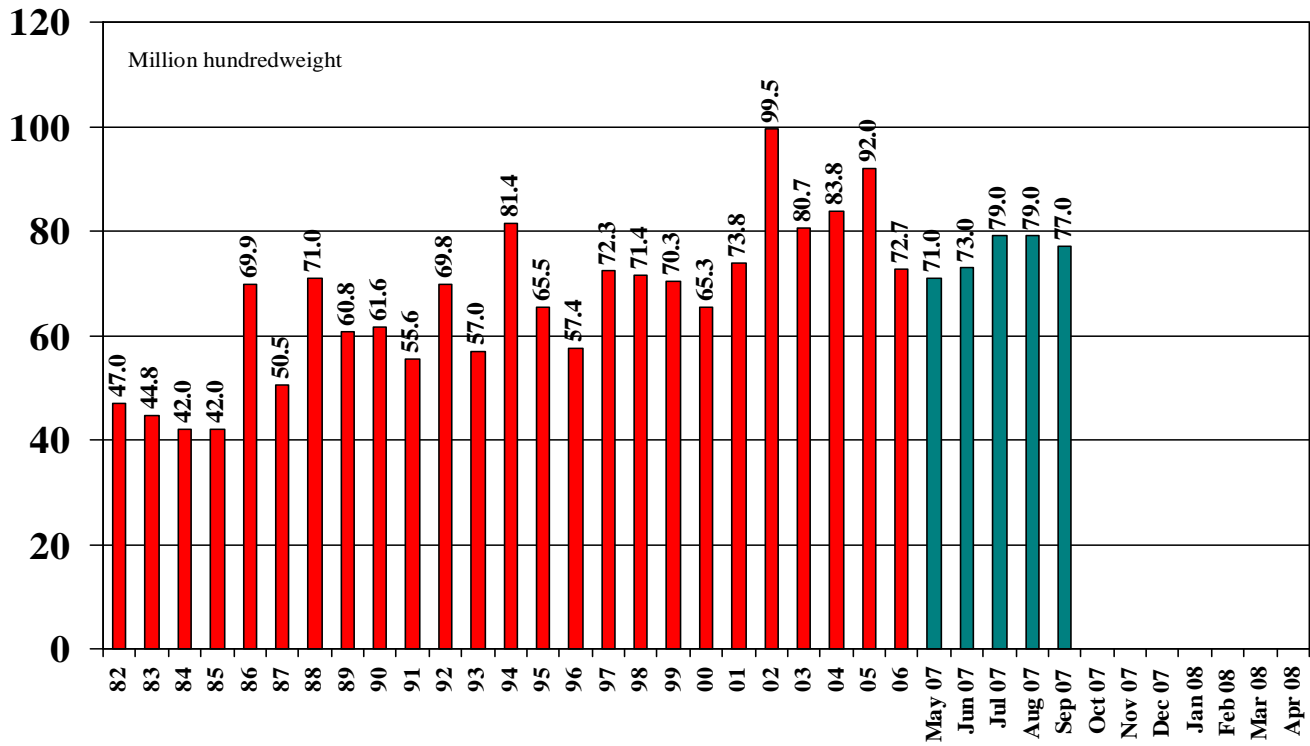
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



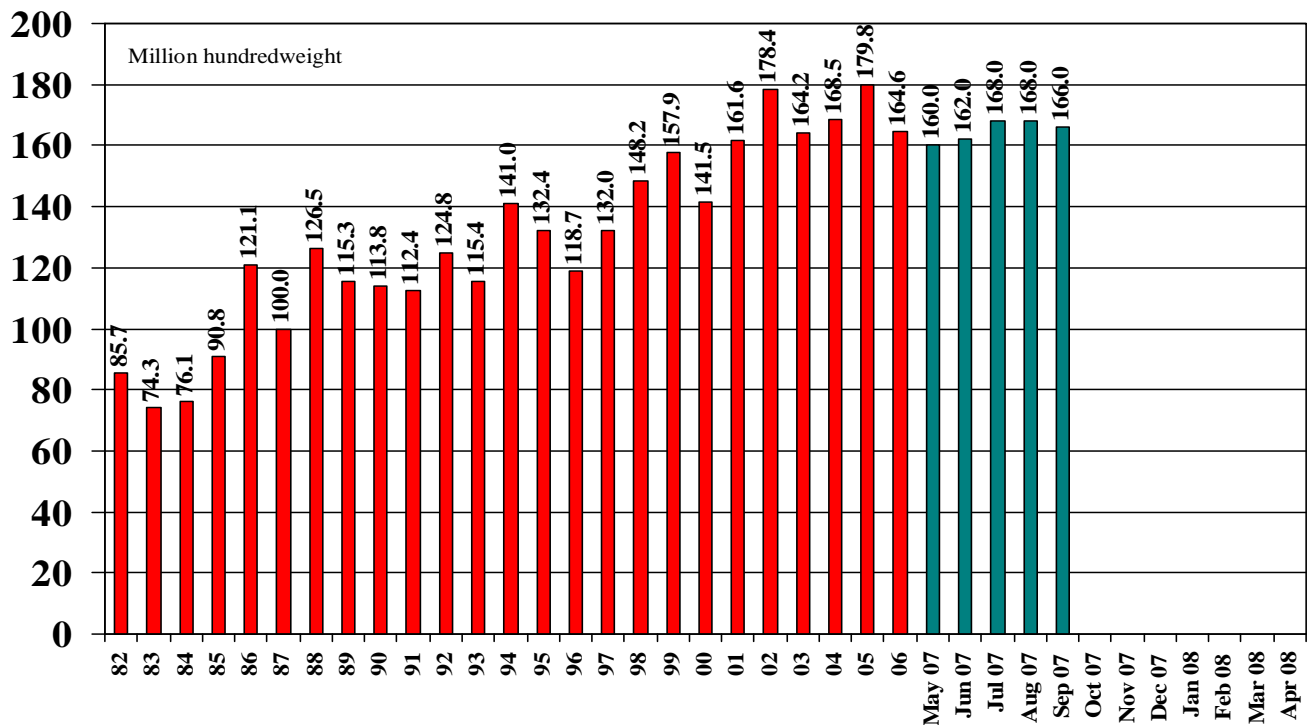
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



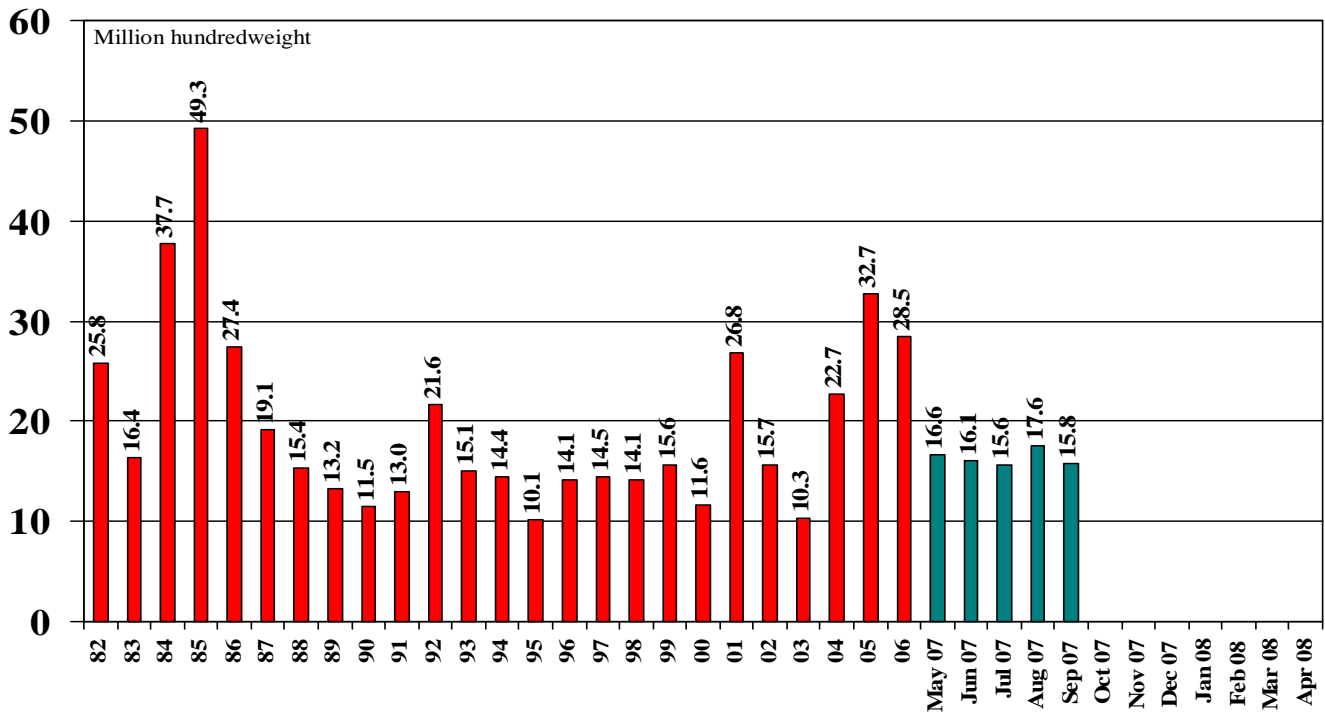
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



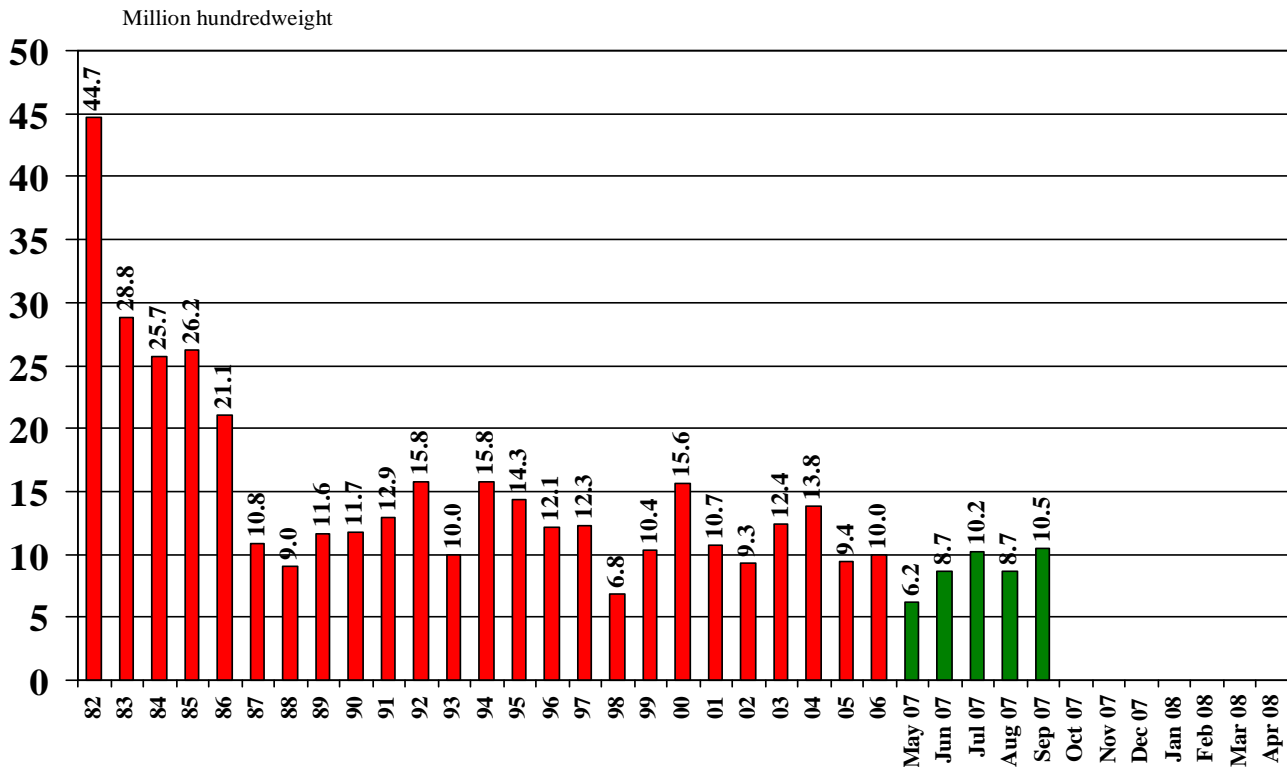
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

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



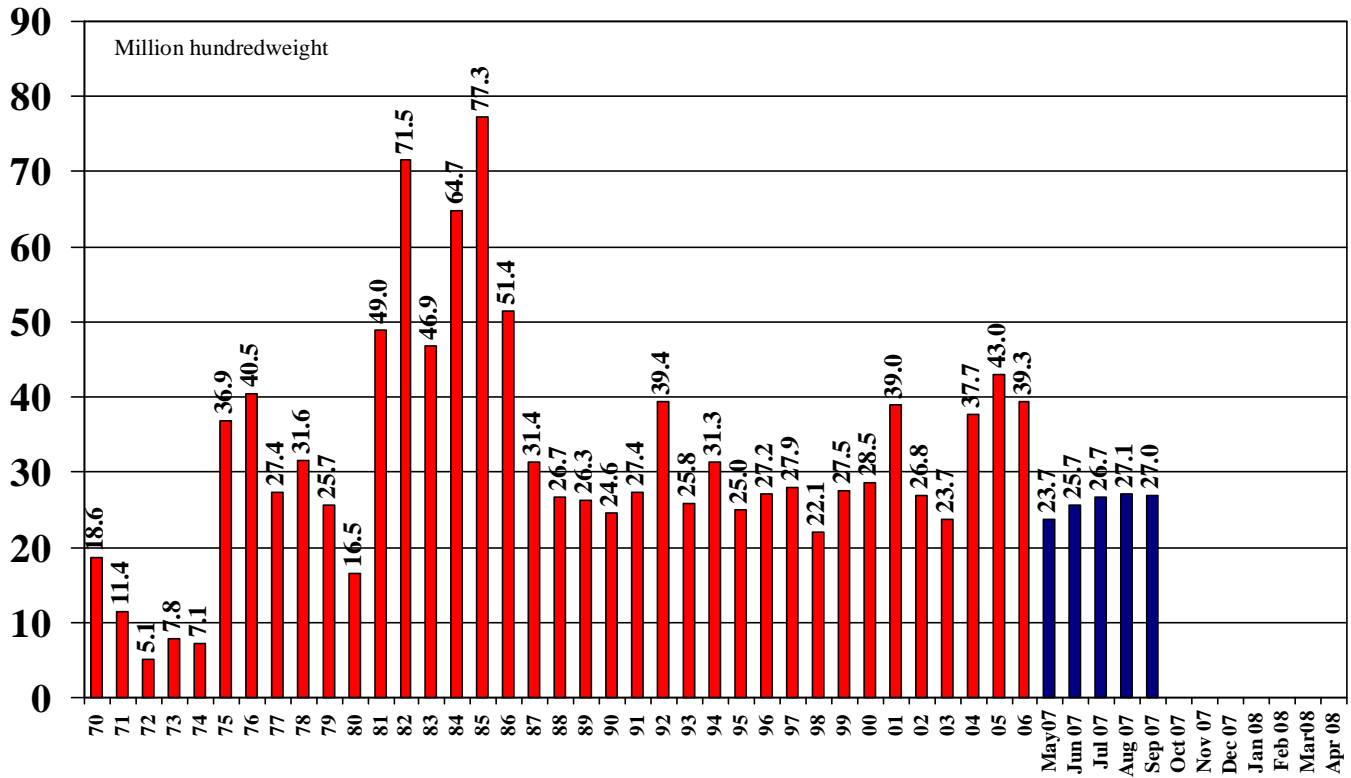
Source: [USDA World Supply and Demand Estimates](#) and [Rice Yearbook](#)

## U.S. Medium and Short Grain Rice Ending Stocks 1982/83 – 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](#)