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Rice Outlook

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U.S. 2003/04 Ending Stocks Forecast To Drop to 17.5 Million Cwt

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Aug. 13, 2003

Approved by the
World Agricultural
Outlook Board.

This month the U.S. Department of Agriculture (USDA) lowered its 2003/04 U.S. total rice supply forecast nearly 6 million hundredweight (cwt) to 230.7 million cwt (rough basis). The reduction was the result of reduced carryin and a smaller crop projection more than offsetting a higher import forecast. The 2003/04 U.S. rough rice crop forecast was cut 4 million cwt to 195 million, primarily due to smaller area. Beginning stocks were lowered 11 percent to 20.7 million cwt—the smallest since 1981/82—and imports were raised 500,000 cwt to a record 15 million.

On the use side, USDA lowered its 2003/04 export forecast a million cwt to 87 million. Total domestic use was raised fractionally to a record 126.2 million cwt. These two revisions resulted in a slight drop in total use to 213.2 million cwt, 13 percent below a year earlier. The 2003/04 ending stocks projection was cut 22 percent to 17.5 million cwt, the lowest since 1980/81.

The 2003/04 season-average farm price (SAFP) was raised a dollar on both the high and low end to \$6.25-\$6.75 per cwt, the highest since 1998/99. The 2002/03 SAFP was raised 3 cents to \$4.18 per cwt. For 2002/03, USDA raised total exports 3 million cwt to a record 120 million. Despite a slightly higher import forecast, the 2002/03 ending stocks forecast was lowered 11 percent to 20.7 million cwt.

Global rice production for 2003/04 is projected at 394.1 million tons (milled basis), up fractionally from last month's forecast and more than 3 percent larger than a year earlier. India accounts for most of the projected increase in 2003/04 global rice production. Thailand, Bangladesh, and Pakistan are projected to produce larger crops in 2003/04 as well. Global ending stocks for 2003/04 are projected at 88.6 million tons, down 3.5 million from last month and 17 percent below a year earlier. Ending stocks are the lowest since 1984/85.

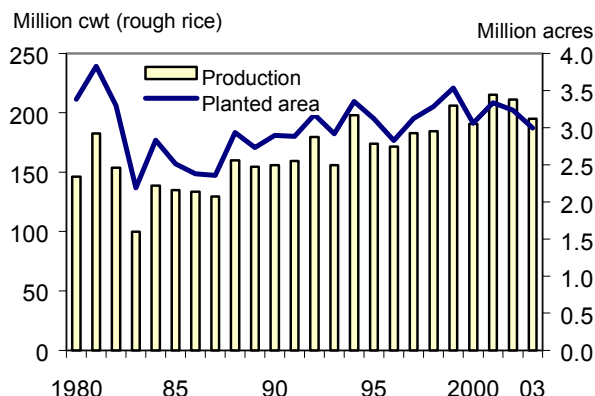
Global rice trade for calendar year 2004 is projected at 25.9 million tons (milled basis), down a million from 2003 and 2 million tons below the 2002 record. The United States, India, South Korea, and Australia account for the bulk of the projected decline in global rice exports in 2004. On the import side, the Philippines and Nigeria are all projected to import less rice in 2004.

Price quotes for Thai rice are nearly unchanged from early June while Vietnam's price quotes are down about \$5 per ton. Prices for U.S. long grain milled rice remain unchanged from late May.

U.S. 2003/04 Rice Crop Forecast Cut 4 Million Cwt to 195 Million

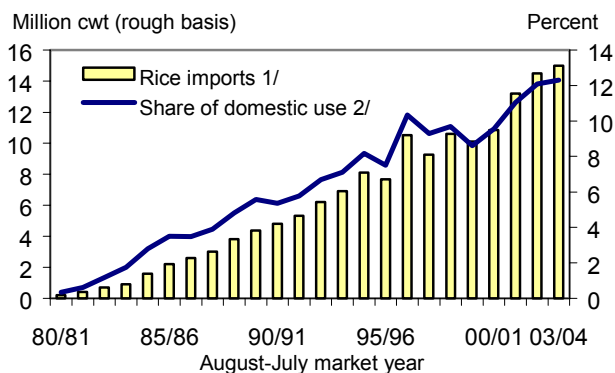
This month the U.S. Department of Agriculture (USDA) lowered its 2003/04 U.S. rough rice production forecast 4 million hundredweight (cwt) to 195 million, a drop of nearly 8 percent from a year earlier. The downward revision was the result of an almost 8-percent reduction in the plantings estimate to 2.99 million acres—the smallest since 1996—and a fractional decline in the yield forecast to 6,572 pounds per acre—6 pounds below a year earlier's record.

Figure 1
The U.S. 2003 rough rice crop is projected at 195 million cwt



2003 forecast.
Source: ERS/USDA.

Figure 2
U.S. 2003/04 rice imports are projected to be the highest on record



1/ Includes imports by U.S. territories. 2/ Does not include seed use.
Sources: 1980/81- 2001/02 import data, Bureau of the Census. 2002/03 and 2003/04 USDA forecasts.

Combined medium/short grain accounts for all of this month's reduction in plantings. Long grain acreage was boosted fractionally. All area revisions were based on data reported in the June 2003 USDA *Acreage* report. The fractional decline in the 2003 yield forecast was due to area shifts by class and State. USDA will report its first objective yield forecast for the 2003 crop in the August *Crop Production* report.

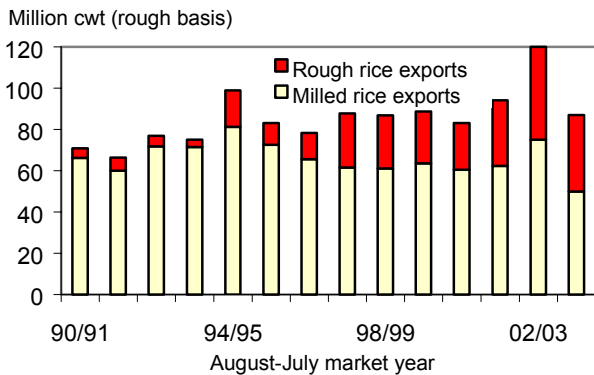
California accounts for the bulk of this month's downward revision in rice plantings. At 470,000 acres, California rice acreage is down 11 percent from farmer's intentions reported in March and 12 percent below a year earlier. Excessive rain at planting accounts for much of the month-to-month and annual decline. At 181,000 acres, rice plantings in Texas are down 5 percent from the March planting intentions and 12 percent below a year earlier. This is the lowest rice area in Texas since the mid-1930s. In contrast, Arkansas' rice plantings were boosted almost 2 percent this month to 1.45 million acres, still 5 percent below a year earlier. Louisiana's 2003 rice plantings remain estimated at 470,000 acres, down 13 percent from a year earlier. At 255,000 acres, Mississippi's rice plantings are unchanged from both the March intentions and a year earlier. Missouri's rice plantings remain estimated at 170,000 acres, down nearly 11 percent from 2002.

Total supplies for 2003/04 are projected at 230.7 million cwt, down almost 6 million cwt from last month's forecast and almost 13 percent smaller than a year earlier's record. These are the smallest total supplies since 1998/99. This month's downward revision in total supplies is the result of a smaller carryin and a weaker crop forecast more than offsetting higher imports. Beginning stocks for 2003/04 are projected at 20.7 million cwt, down more than 10 percent from last month's forecast and 47 percent below a year earlier. These are the smallest beginning stocks since 1981/82. Imports are forecast at a record 15 million cwt, up 500,000 cwt from both last month and the 2002/03 revised projection.

Total use for 2003/04 is projected at 213.2 million cwt, down about 900,000 from last month and more than 12 percent below a year earlier's record. This month, a slight drop in the export forecast more than offset a higher projected seed use. The 2003/04 total

Figure 3

U.S. 2003/04 rice exports are projected at 87 million cwt, down 28 percent from the 2002/03 record



2002/03 and 2003/04 forecasts.
Sources: 1990/91 to 2001/02, Bureau of the Census.
2002/03 and 2003/04 USDA projections.

rice export forecast was lowered a million cwt to 87 million, almost 28 percent below a year earlier's record. The month-to-month reduction was based on expectations of higher U.S. prices and tighter supplies.

Milled rice exports (both fully milled and brown rice) were lowered 2 million cwt to 50 million, a decline of a third from a year earlier and the lowest in more than a quarter of a century. In contrast, the rough rice export projection was boosted a million cwt to 37 million. Despite this month's upward revision, rough exports remain almost 18 percent below a year earlier's revised forecast.

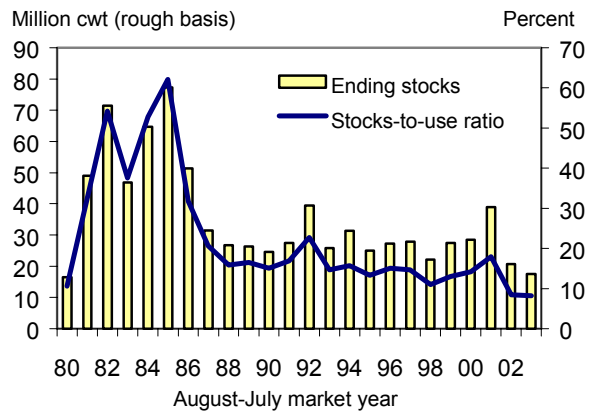
Total domestic use—projected at a record 126.2 million cwt—is up fractionally from last and up 2 percent from a year earlier. *Food, industrial, and residual* for 2003/04 remains projected at a record 122 million cwt, up 2 million from a year earlier. Seed use was raised 3 percent to 4.2 million cwt.

U.S. Ending Stocks for 2003/04 Projected To Drop to 17.5 Million Cwt

Ending stocks for 2003/04 are projected at 17.5 million cwt, down 5 million cwt from last month's forecast and more than 15 percent smaller than a year earlier's revised forecast. These are the lowest ending stocks since 1980/81. The resulting stocks-to-use

Figure 4

U.S. 2003/04 ending stocks are projected to be the smallest since 1980/81



2002/03 and 2003/04 forecasts.
Source: NASS/USDA and WAOB/USDA.

ratio is 8.2 percent, down from 10.6 percent last month and slightly below a year earlier.

Through July 6, about 15 percent of the 2003 U.S. rice crop had headed, down 2 percentage points from a year earlier but even with the 5-year average. Heading was 57 percent complete in Louisiana, down from 65 percent a year earlier but up slightly from the State's 5-year average. By July 6, nearly 54 percent of the Texas crop had headed, 15 percentage points behind last year and 4 percentage points behind its 5-year average. Just 2 percent of the Arkansas crop had headed by July 6, 1-2 percentage points behind last year and the State's 5-year average. In contrast, heading in Mississippi was 10 percent complete by July 6, slightly ahead of last year and the State's 5-year average. In Missouri, 7 percent of the crop had headed by July 6, about 7 percentage points ahead of both last year and the State's 5-year average. None of the California crop had headed by July 6, identical to last year and the 5-year average. Excessive rain delayed plantings in California this year.

Reported crop conditions for the 2003 U.S. rice crop are below a year earlier. For the week ending July 6, about 66 percent of the U.S. crop was rated in good or excellent condition, down from 69 percent a year earlier. About 6 percent of the U.S. crop was rated in very poor or poor condition, up from 5 percent a year earlier.

California accounts for most of this year's weaker crop condition ratings. Just 25 percent of the crop was rated in good or excellent condition for the week ending July 6, well below a year earlier's 75 percent. Through July 6, about 15 percent of the California crop was rated in poor condition. The remainder was rated in fair condition. Crop conditions were reported weaker this year in Texas as well. About 78 percent of the Texas crop was rated in good or excellent condition, down from 83 percent a year earlier.

In contrast to these two States, 85 percent of Louisiana's crop was rated in good or excellent condition for the week ending July 6, about 8 percentage points above a year earlier. In Arkansas, about 68 percent of the crop was rated in good or excellent condition, up 5 percentage points from a year earlier. About 77 percent of Missouri's crop was rated good or excellent, up from 64 percent a year earlier. About 80 percent of Mississippi's crop was rated good or excellent, unchanged from a year earlier.

U.S. 2003/04 Medium/Short Grain Ending Stocks Projected To Be Smallest in More Than 20 Years

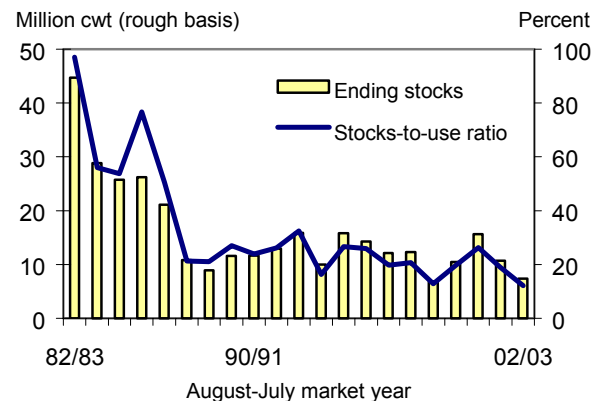
Combined medium/short grain supplies for 2003/04 are projected at 61.9 million cwt, down 8 percent from last month's forecast and 10 percent below a year earlier. Supplies of medium/short grain rice are the smallest since 1998/99.

This month, a reduced crop forecast more than offset slight increases in beginning stocks and imports. Beginning stocks of medium/short grain rice are projected at 7.4 million cwt, 4 percent above last month's forecast but 31 percent below a year earlier. Medium/short grain production is projected at 50 million cwt, down 6 million cwt from last month, a result of a smaller area forecast. Medium/short grain production is projected to fall 7 percent from a year earlier. Imports—projected at a record 4.5 million cwt—are up 500,000 cwt from last month's forecast and are 6 percent larger than a year earlier. The bulk of U.S. imports of medium/short grain rice are imported by Puerto Rico.

The combined medium/short grain rice total use for 2003/04 is projected at 56.2 million cwt, a drop of 4.9

Figure 5

U.S. 2003/04 medium/short grain ending stocks are projected to be the smallest in more than two decades



2002/03 and 2003/04 projected.
Source: USDA, ERS.

million cwt from last month's forecast and 8 percent below a year earlier. Exports account for all of this month's downward revision. Medium/short grain exports are projected at 19 million cwt, a 5-million-cwt drop from last month and 24 percent below a year earlier's near-record. Domestic use of medium/short grain rice is projected at 37.2 million cwt, up fractionally from last month's forecast and 3 percent higher than a year earlier.

Ending stocks of medium/short grain rice are projected at 5.7 million cwt, down 5 percent from last month's forecast and 23 percent below a year earlier. Ending stocks of medium/short grain rice are projected to be the lowest since USDA first reported supply and use projections by class for the 1982/83 crop. The stocks-to-use ratio is projected to be 10.1 percent, nearly unchanged from last month but below a year earlier's 12.1 percent.

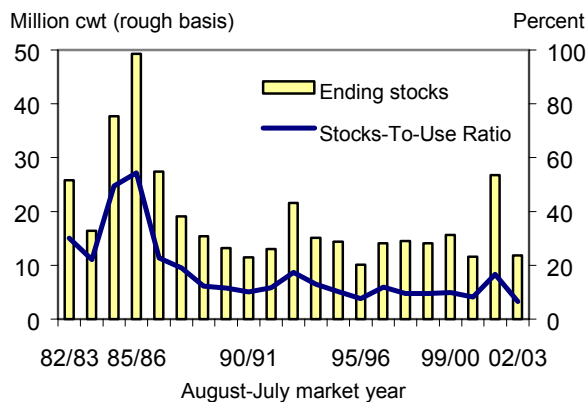
Total U.S. 2003/04 long grain supplies are projected at 167.3 million cwt, down fractionally from last month and 14 percent below a year earlier. This month, a reduced carryin more than offset a larger crop forecast. Beginning stocks of long grain rice are projected at 11.8 million cwt, down 19-percent from last month's forecast and 56 percent below a year earlier. Long grain production is projected at 145 million cwt, up 2 million from last month's forecast—a result of a higher plantings estimate—but almost 8 percent below a year earlier. Long grain imports

remain projected at a record 10.5 million cwt, fractionally above a year earlier's revised forecast.

Total long grain use is projected at 157 million cwt, up 4 million cwt from last month's forecast but 14 percent below a year earlier. Exports account for all of the month-to-month increase. Long grain exports were raised 4 million cwt to 68 million cwt, still 28 percent below a year earlier. Total domestic use of long grain rice remains projected at a record 89 million cwt, a 2-percent increase from a year earlier. Ending stocks of long grain rice are projected at 10.3

Figure 6

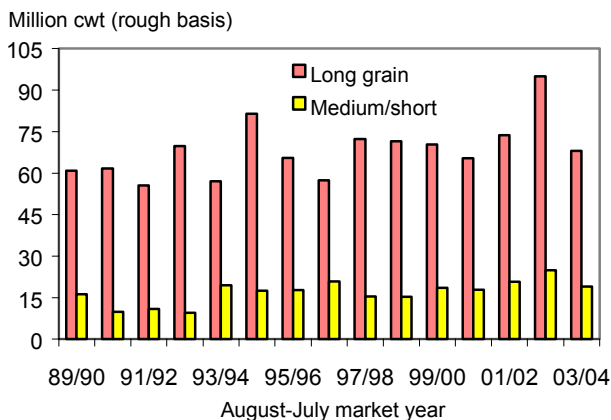
U.S. 2003/04 long grain ending stocks are projected to decline to 10.3 million cwt



2002/03 projected.
Source: USDA, ERS.

Figure 7

U.S. 2003/04 long grain exports are projected to drop 28 percent



2002/03 and 2003/04 forecasts.
Sources: 1989/90 to 2001/02, Bureau of the Census; 2002/03 and 2003/04 USDA projections.

million cwt, down more than 31 percent from last month's forecast and 13 percent below a year earlier. These are the lowest ending stocks for long grain rice since 1995/96. The stocks-to-use ratio—projected at 6.6 percent—is down from last month's forecast of 9.8 percent but virtually unchanged from a year earlier.

U.S. 2002/03 Export Forecast Raised 3 Million Cwt to 120 Million

The only supply-side revision this month for 2002/03 was a 500,000-cwt increase in imports to 14.5 million cwt, the largest to date. The increase was based on deliveries through April. This month's upward revision was evenly split between long grain—projected at a record 10.25 million cwt—and combined medium/short grain rice—projected at a record 4.25 million cwt.

On the use side, total U.S. rice exports were raised 3 million cwt to a record 120 million, 27 percent higher than a year earlier. The increase was based on Census shipment data through April and commercial sales and export data through late June reported in *U.S. Export Sales*. Rough rice exports were raised a million cwt to a record 45 million, 40 percent higher than a year earlier. Milled rice exports were raised 2 million cwt to 75 million, up 20 percent from a year earlier. Long grain exports—projected at 95 million—accounted for all of the upward revision. Combined medium/short grain exports remain projected at a near-record 25 million.

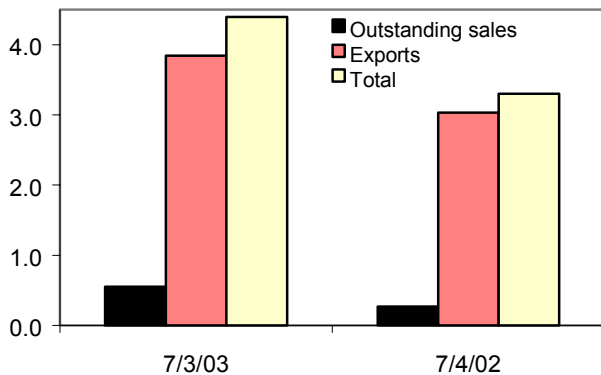
Total ending stocks for 2002/03 are projected at 20.7 million cwt, down 2.4 million from last month's forecast and 47 percent below a year earlier. The stocks-to-use ratio is projected at 8.5 percent, down from 9.6 percent last month and 17.9 percent a year earlier. Long grain accounted for all of this month's downward revision in stocks. Long grain ending stocks were lowered 2.75 million cwt to 11.8 million, 56 percent below a year earlier. Combined medium/short grain ending stocks were raised 4 percent to 7.4 million cwt, 31 percent below a year earlier.

According to the *U.S. Export Sales* report, for the week ending July 3, 2003, U.S. commercial exports and outstanding sales of rice totaled 4.40 million tons (product-weight), 33 percent larger than a year earlier.

Figure 8

Through July 3, 2003, U.S. rice exports were 26 percent ahead of a year earlier

Million tons (product-weight)



Source: U.S. Export Sales, FAS, USDA. Data do not include donations.

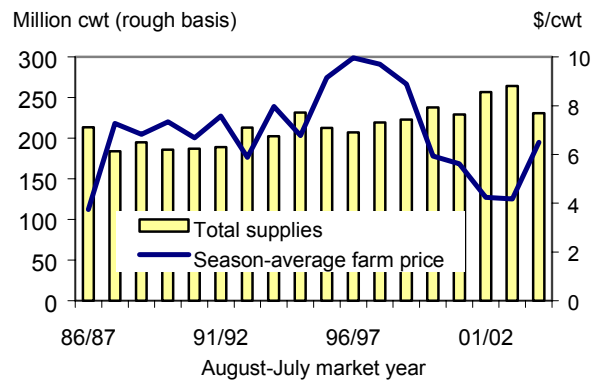
Exports were reported at 3.84 million tons, 26 percent higher than a year earlier. Outstanding sales were reported at 554,700 tons, up 102 percent and the largest on record for this date. Through July 3, shipments were higher than a year earlier to the European Union (EU), Turkey, Japan, South Korea, Taiwan, Indonesia, Jordan, Saudi Arabia, Sub-Saharan Africa, Brazil, Canada, Cuba, Chile, and Haiti. In contrast, shipments were behind a year earlier to Guatemala and Honduras.

U.S. 2003/04 Season-Average Farm Price Forecast to \$6.25-\$6.75 Per Cwt

The 2003/04 season-average farm price (SAFP) is projected at \$6.25-\$6.75 per cwt, up a dollar on both the high and low ends from last month's forecast and well above a year earlier's revised \$4.18. This month's upward revision in the 2003/04 SAFP was based on higher expectations for world prices in 2003/04 and tighter U.S. supplies. The 2003/04 SAFP is the highest since 1998/99. Last month, USDA estimated the mid-June price at \$4.63 per cwt and raised the May estimate to \$4.58 from a preliminary \$4.51.

Figure 9

The U.S. rough rice season-average farm price is projected to be the highest since 1998/99



2003/04 mid-point of \$6.25 to \$6.75 projection range. Sources: 1986/87 to 2001/02 NASS/USDA; 2002/03 and 2003/04 USDA projections.

Except for in the Delta, there has been very little trading of U.S. southern long grain rough rice since mid-May and a near-absence of supplies in the Gulf Coast. For the week ending July 8, cash prices in the Delta were quoted around \$6.25 per cwt, up 25 cents from a month earlier.

Price quotes for California medium grain rough rice were calculated at \$8.75-\$8.95 per cwt for the week ending July 8, up \$1.50 from a month earlier and the highest since February 2000. Like in the South, there is very little trading, and rough rice supplies are very tight. Large shipments to Japan, Taiwan, Turkey, and South Korea, as well as strong sales into the domestic market, are behind the price strength. Because the bulk of California's rough rice is sold under some type of a pooling method, rough rice prices are determined by the price of milled rice. There have been no price quotes for southern medium grain rough rice since mid-March.

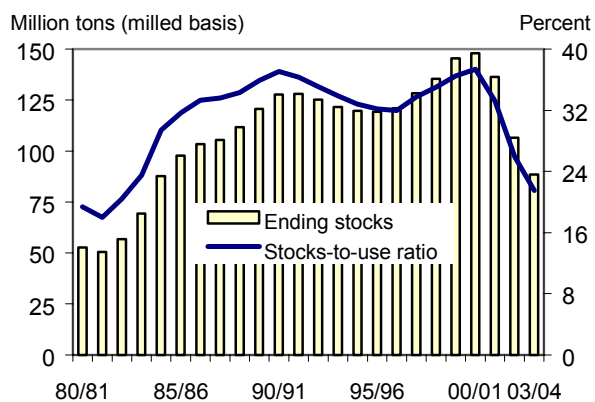
India, Thailand, & Bangladesh Account for Bulk of Larger Global Rice Crop In 2003/04

Global rice production for 2003/04 is projected at 394.1 million tons (milled basis), up fractionally from last month's forecast and more than 3 percent larger than a year earlier. The 2003/04 crop remains nearly 4 percent below the 1999/2000 record of 408.7 million tons. Global rice consumption is projected at a record 412.2 million tons, 2 million tons above last month's forecast. Ending stocks are projected at 88.6 million tons, down 3.5 million from last month's forecast and 17 percent below a year earlier. Ending stocks are the lowest since 1984/85. This is the third consecutive year of declining global ending stocks. China accounts for the bulk of the decline in global ending stocks in 2003/04.

India accounts for most of the projected increase in 2003/04 global rice production. India's 2003/04 rice production is projected at 91 million tons, 18 percent above a year earlier. An 11-percent increase in area to 45 million hectares accounts for most of the production increase. In 2002/03, an unfavorable southwest monsoon was responsible for causing India to harvest its smallest rice crop since 1992/93.

Figure 10

Global ending stocks for 2003/04 are projected to be the lowest since 1984/85



2002/03 estimates; 2003/04 forecasts.
Sources: FAS/USDA and ERS/USDA.

Several other exporters are projected to produce larger crops in 2003/04 as well. Thailand's 2003/04 production is projected to increase 4 percent to a record 17.8 million tons, a result of expanded plantings. Also, Pakistan's crop is projected to increase more than 6 percent to 4.5 million tons, a result of a much stronger yield. This is Pakistan's largest crop since the 2000/01 record of 4.7 million tons. Egypt's 2003/04 rice production is projected to climb 5 percent to a record 3.9 million tons, with both area and yield higher. Australia's crop is projected to increase 28 percent from this year's drought-devastated crop, a result of larger plantings. However, the crop still ranks among the lowest in two decades. Uruguay's crop is projected to increase nearly 20 percent to 735,000 tons based on larger plantings and a higher yield. Finally, Argentina's 2003/04 rice production is projected to increase 11 percent to 455,000 tons due to a much higher yield. The crop is still less than half the 1998/99 record of 1.1 million tons.

Among importers, Bangladesh's 2003/04 crop is projected to increase 500,000 tons to a record 26.5 million due to larger plantings. For the Philippines, production is projected to increase 2 percent to a record 8.6 million tons, a result of a higher yield. Nigeria's crop is projected to increase nearly 5 percent to 2.3 million tons, primarily due to larger plantings. Indonesia's 2003/04 rice production is projected to increase fractionally to a record 33.3 million tons, a result of a slightly higher yield. South Korea's crop is projected to increase more than 1 percent to 5 million tons due to a higher yield.

Partially offsetting these year-to-year production increases are several reductions. Among exporters, China's 2003/04 production is projected to decline 2 percent to 120 million tons based on smaller plantings. This is the sixth consecutive year of declining rice production for China and the smallest crop since 1988/89. U.S. production is projected to decline 6.3 percent to 6.1 million tons based on smaller plantings. Finally, Vietnam's 2003/04 rice production is projected at 21 million tons, fractionally below a year earlier's record.

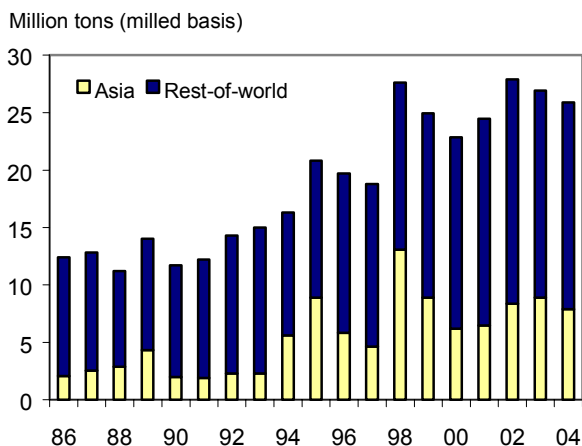
Among importers, Iran's 2003/04 production is projected to drop 16 percent to 1.5 million tons based on smaller plantings and a weaker yield. Brazil's crop is projected at 7 million tons, a decline of 3 percent from a year earlier, a result of a much smaller yield. A weaker yield is responsible for a 4-percent drop in North Korea's 2003/04 rice crop to 1.44 million tons. Finally, Japan's rice crop is projected to drop 1 percent to 8 million tons due to continued area decline.

United States, India, South Korea, & Australia Projected To Export Less Rice in 2004

Global rice trade for calendar year 2004 is projected at 25.9 million tons (milled basis), down a million from 2003 and 2 million tons below the 2002 record. The United States, India, South Korea, and Australia account for the bulk of the projected decline in global rice exports in 2004.

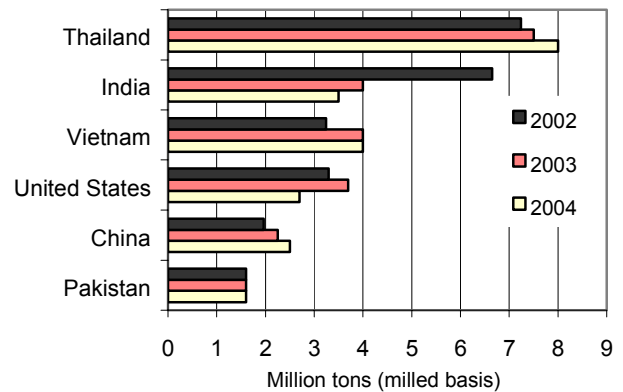
For the United States, 2004 exports are projected to drop a million tons from this year's record to 2.7 million, a result of much higher prices and a big drop in supplies. India's exports are projected to drop 500,000 tons to 3.5 million based on less competitive prices. South Korea's exports are projected to decline 500,000 tons to zero based on expectations regarding shipping dates of 2003 announced food aid.

Figure 11
Global rice imports are projected to decline 4 percent in 2004



2003 and 2004 forecasts.
Source: FAS/USDA and ERS/USDA.

Figure 12
The United States and India account for the bulk of the projected decline in global rice exports in 2004



These six countries account for more than 85 percent of global rice exports. 2002 estimated; 2003 projected.
Source: FAS/USDA.

All of South Korea's rice exports are shipped as food aid, with North Korea receiving the bulk of South Korea's shipments in 2003. Australia's exports are projected to decline 50,000 tons to 250,000 in 2004 based on very tight supplies.

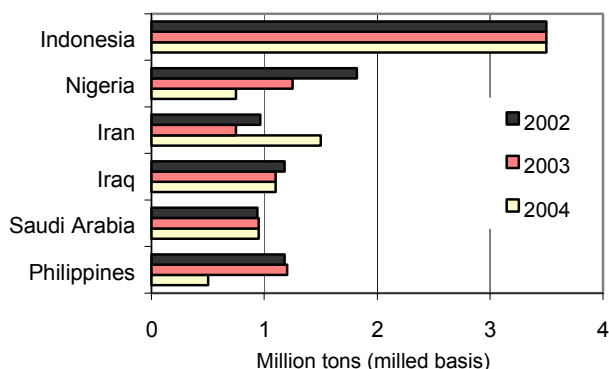
Partially offsetting these export reductions were several increases. Thailand's exports are projected to increase 500,000 tons to a record 8 million, based on a record crop and large supplies. China's exports are projected to increase 250,000 tons to 2.5 million tons. Uruguay's exports are projected to climb 150,000 tons to 750,000 based on larger supplies. Finally, Egypt's exports are projected to expand 100,000 tons to 700,000 based on record supplies.

On the import side, imports by the Philippines are projected to drop 700,000 tons to 500,000 based on a record crop and large supplies. Nigeria's imports are projected at 750,000 tons, a drop of 500,000 from this year, a result of huge supplies. North Korea's imports are projected at 300,000 tons—all food aid, down 400,000 from 2003. Finally, imports of rice by Eastern Europe are projected to drop 11,000 tons to 368,000.

Partially offsetting these year-to-year reductions in 2004 global imports are several increases. First, Iran's imports are projected to increase 750,000 tons to a near-record 1.5 million based on a tightening supply situation. South Korea's imports are projected to increase 55,000 tons to 205,000. All of South

Figure 13

Nigeria and the Philippines are projected to import less rice in 2004



These six countries account for more than 85 percent of global rice exports. 2003 and 2004 projected. Source: FAS/USDA.

Korea's rice imports are the result of World Trade Organization commitments. Mexico's rice imports are projected to increase 50,000 tons to a record 600,000 based on higher consumption. Malaysia's imports are projected to increase 50,000 tons to 550,000, also the result of higher consumption. Stronger consumption is projected to boost Turkey's 2004 rice imports 50,000 tons to 300,000.

Thailand's Price Quotes Steady, Vietnam's Down From Early June

Thai export price quotes for most grades of regular-milled white rice (except for broken) are nearly unchanged from early June. Price quotes for Thai rice rose \$3-\$4 per ton in mid-June based on reported sales to Iran and the Philippines. But by late-June prices had dropped on weak export activity. Thailand's export prices are currently higher than other Asian sources.

For the week ending July 8, price quotes for high-quality Thai white rice (100-percent, Grade B, f.o.b. vessel, Bangkok) were reported at \$207 per ton, unchanged from early June. Prices for Thai 5-percent regular milled white rice—quoted at \$201 per ton—were down \$1 from early June. Prices for Thai 35-percent broken were quoted at \$181 per ton for the week ending July 8, also unchanged from early June.

Prices for Thailand's A-1 Special (100-percent broken) were quoted at \$151 per ton for the week

ending July 8, up \$4 from a month earlier. Prices for parboiled rice have risen since early June due to limited supply. For the week ending July 8, prices for Thailand's parboiled rice (5-percent broken) were quoted at \$204 per ton, up from \$196 in early June.

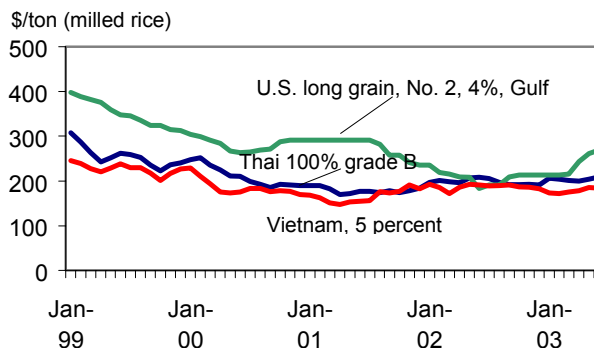
Prices for Vietnam's regular-milled white rice have declined since early June due to decreased vessel loading and few new sales. Prices for Vietnam's 5-percent broken (f.o.b. vessel, Ho Chi Minh City) were reported at \$182 per ton for the week ending July 8, down \$5 from early June.

Price quotes for U.S. long grain milled rice are unchanged from early June. Prices for U.S. long grain milled rice (No. 2, 4-percent broken, bagged, f.o.b. rice mill in Houston) were reported at \$254 per ton for the week ending July 7, unchanged from early June and the highest since August 2001. After adjusting the U.S. price to reflect a "free-on-board vessel" quote, U.S. prices are about \$62 per ton above prices for similar grades of Thai rice. This is the highest difference since November 2001.

Prices for U.S. parboiled rice are also unchanged from early June. For the week ending July 8, prices for long grain milled parboiled rice (f.o.b. Houston) were quoted at \$309 per ton, unchanged since mid-April and the highest since August 2001. Prices for high-quality California medium grain milled rice (No. 1, 4-percent broken, bagged, f.o.b. Sacramento) were quoted at \$375 per ton for the week ending July 8, up \$44 per ton from early June and the highest since October 2000.

Figure 14

The U.S. export prices have increased more than \$60 per ton since February



All prices quoted "free-on-board" vessel at local port. Sources: Thai prices, U.S. Ag Counselor, Bangkok, U.S. prices, AMS/USDA. Vietnam prices industry sources.

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Data

Monthly tables from *Rice Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/Briefing/Rice/Data/data.htm>. These tables contain the latest data on the production, use, prices, and trade.

Reports from the Economic Research Service

Updating Base Acres and Payment Yields indicates that about 63 percent of eligible farmland owners elected to use their historical PFC acreage (plus oilseeds, if applicable) for designating base acres under the 2002 Farm Act. The alternative was to update base acres using 1998-2001 plantings. Farmers who updated their base acres were provided choices for determining payment yields used to calculate the new counter-cyclical payments. The analysis is available at <http://www.ers.usda.gov/Briefing/FarmPolicy/updating.htm>.

The 2002 Farm Act: Provisions and Implications for Commodity Markets provides an initial assessment of the legislation's effects on agricultural production, commodity markets, and net farm income over the next 10 years. The report is available at <http://www.ers.usda.gov/publications/aib778/>.

Related Websites

Rice Briefing Room, <http://www.ers.usda.gov/Briefing/Rice>

WASDE, <http://usda.mannlib.cornell.edu/usda/reports/waobr/wasde-bb/>

Grain Circular, http://www.fas.usda.gov/grain_arc.html

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Table 1--U.S. rice supply and use 1/

Item	1998/99	1999/00	2000/01	2001/02 2/	2002/03 3/	2003/04 3/
TOTAL RICE						
Area	Million acres					
Planted	3.285	3.531	3.060	3.334	3.240	2.992
Harvested	3.257	3.512	3.039	3.314	3.207	2.967
	Pounds per harvested acre					
Yield	5,663	5,866	6,281	6,496	6,578	6,572
	Million cwt					
Beginning stocks	27.9	22.1	27.5	28.5	39.0	20.7
Production	184.4	206.0	190.9	215.3	211.0	195.0
Imports	10.6	10.1	10.9	13.2	14.5	15.0
Total supply	223.0	238.2	229.2	256.9	264.4	230.7
Food, industrial, & residual 4/	109.6	118.1	113.4	119.5	120.0	122.0
Seed	4.4	3.8	4.1	4.0	3.7	4.2
Total domestic use	114.0	121.9	117.5	123.5	123.7	126.2
Exports	86.8	88.8	83.2	94.5	120.0	87.0
Rough	25.8	25.2	22.8	32.2	45.0	37.0
Milled 5/	61.1	63.6	60.4	62.4	75.0	50.0
Total use	200.9	210.7	200.7	218.0	243.7	213.2
Ending stocks	22.1	27.5	28.5	39.0	20.7	17.5
	Percent					
Stocks-to-use ratio	11.0	13.0	14.2	17.9	8.5	8.2
	\$/cwt					
Average farm price 6/	8.89	5.93	5.61	4.25	4.18	6.25 to 6.75
	Percent					
Average milling rate	69.3	69.6	68.6	69.0	68.0	69.0

1/ August-July market year; rough equivalent. 2/ Estimated. 3/ Projected. 4/ Residual includes unreported use, processing losses, and estimating errors. 5/ Rough rice equivalent. 6/ Market year weighted average. Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Updated July 11, 2003.

Table 2--U.S. rice supply and use, by class 1/

Item	1998/99	1999/00	2000/01	2001/02	2002/03 2/	2003/04 3/
LONG GRAIN						
Million acres						
Planted	2.589	2.731	2.206	2.713	2.537	
Harvested	2.568	2.718	2.189	2.697	2.512	
Pounds per harvested acre						
Yield	5,426	5,587	5,882	6,213	6,260	
Million cwt						
Beginning stocks	14.5	14.1	15.6	11.6	26.8	11.8
Production	139.3	151.9	128.8	167.6	157.2	145.0
Imports	8.4	7.6	8.8	9.2	10.3	10.5
Total supply	162.2	173.5	153.1	188.3	194.3	167.3
Domestic use 4/	76.7	87.6	76.2	87.9	87.5	89.0
Exports	71.4	70.3	65.3	73.7	95.0	68.0
Total use	148.2	157.9	141.5	161.6	182.5	157.0
Ending stocks	14.1	15.6	11.6	26.8	11.8	10.3
Percent						
Stocks-to-use ratio	9.5	9.9	8.2	16.6	6.5	6.6
MEDIUM & SHORT GRAIN						
Million acres						
Planted	0.696	0.800	0.854	0.621	0.703	
Harvested	0.689	0.794	0.850	0.617	0.695	
Pounds per harvested acre						
Yield	6,548	6,822	7,308	7,733	7,729	
Million cwt						
Beginning stocks	12.3	6.8	10.4	15.6	10.7	7.4
Production	45.1	54.2	62.1	47.7	53.7	50.0
Imports	2.2	2.5	2.1	4.0	4.3	4.5
Total supply 5/	59.6	63.3	74.8	67.1	68.6	61.9
Domestic use 4/	37.4	34.3	41.3	35.6	36.2	37.2
Exports	15.4	18.6	17.9	20.8	25.0	19.0
Total use	52.8	52.9	59.2	56.4	61.2	56.2
Ending stocks	6.8	10.4	15.6	10.7	7.4	5.7
Percent						
Stocks-to-use ratio	12.9	19.7	26.3	18.9	12.1	10.1
Ending stocks difference 1/	1.2	1.4	1.2	1.5	1.5	1.5

1/ Stock totals by type omit broken, which are included in total stocks for all types of rice in table 1.

2/ Estimated. 3/ Projected. 4/ Includes residual. 5/ Accounts for the difference in beginning and ending stocks of broken. Thus, total supply of medium/short grain may not equal the sum of beginning stocks, production, and imports.

Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Updated July 11, 2003.

Table 3--U.S. monthly average farm prices and marketings

Month	2002/03		2001/02		2000/01	
	\$/cwt	1,000 cwt	\$/cwt	1,000 cwt	\$/cwt	1,000 cwt
August	3.72	11,478	5.01	12,443	5.72	8,802
September	3.94	12,787	4.67	9,496	5.53	10,616
October	3.69	14,027	4.39	12,415	5.57	13,183
November	3.70	11,876	4.25	11,093	5.72	12,393
December	4.13	14,242	4.29	11,215	5.69	12,689
January	4.29	20,748	4.30	16,415	5.86	15,204
February	4.03	14,500	4.16	11,694	5.72	12,465
March	4.14	16,069	3.99	9,718	5.66	11,700
April	4.33	16,445	3.94	11,270	5.68	11,870
May	4.58	11,417	3.98	9,841	5.40	9,087
June	4.63 1/	14,359 1/	3.92	8,884	5.14	7,951
July			3.81	8,288	5.32	8,588
Average 2/	4.11	14,359	4.25	11,064	5.61	11,212
Total 3/	4.18 4/			132,772		134,548

N/A = Not available.

1/ Preliminary mid-month estimate. 2/ Price is market year weighted average; 2002/03 is simple average through current month only. 3/ Total volume marketed; 2002/03 is through current month only. 4/ USDA season-average farm price projection.

Source: Monthly cash price and marketings, Agricultural Prices, National Agricultural Statistics Service, USDA.

Last updated July 11, 2003

Table 4--USDA calculated world market rice prices (rough basis)

Month	2002/03			2001/02			2000/01		
	Long	Medium	Short	Long	Medium	Short	Long	Medium	Short
	\$/cwt								
August	3.32	2.99	3.00	2.97	2.57	2.58	3.99	3.37	3.37
September	3.29	2.96	2.97	3.09	2.69	2.70	3.69	3.16	3.16
October	3.28	2.95	2.96	3.18	2.80	2.81	3.54	3.30	3.30
November	3.24	2.91	2.92	3.22	2.86	2.87	3.48	3.29	3.29
December	3.22	2.93	2.94	3.37	3.02	3.02	3.40	3.19	3.18
January	3.29	2.96	2.98	3.40	3.06	3.06	3.38	3.17	3.16
February	3.40	3.01	3.03	3.59	3.31	3.35	3.34	3.12	3.10
March	3.36	2.97	2.99	3.52	3.23	3.27	3.08	2.76	2.74
April	3.29	2.91	2.93	3.50	3.20	3.24	2.99	2.64	2.62
May	3.32	2.92	2.94	3.58	3.30	3.34	2.94	2.57	2.55
June	3.60	3.21	3.24	3.69	3.42	3.47	2.96	2.59	2.57
July	3.76	3.37	3.40	3.71	3.45	3.49	2.93	2.55	2.53
Average 1/	3.36	3.01	3.03	3.40	3.08	3.10	3.31	2.98	2.96

1/ Simple average of weekly announced world market price.

Source: Farm Service Agency, USDA.

Last updated July 11, 2003.

Table 5--U.S. rice exports 1/

Country or region	2002/03 as of 7/3/03	2001/02 as of 7/4/02	2001/02 Market year	2000/01 Market year	1999/00 Market year	1998/99 Market year
1,000 metric tons						
European Union	398.7	356.1	336.3	363.5	386.7	339.9
Other Western Europe	28.5	17.0	14.6	13.2	18.3	19.8
Turkey	214.6	141.3	141.3	170.8	230.7	100.1
Eastern Europe	9.7	5.4	5.4	0.6	0.5	0.3
Former Soviet Union	55.7	65.2	59.7	0.7	56.8	43.4
Japan	391.2	352.2	349.3	296.4	374.3	324.3
Taiwan	114.4	9.0	0.0	0.0	0.0	0.0
OTHER ASIA & MIDDLE EAST	357.7	236.3	238.2	318.1	394.7	202.5
Indonesia	90.7	0.2	0.2	23.2	118.3	26.1
Jordan	18.7	11.7	23.7	13.7	21.2	41.0
Philippines	38.3	35.8	35.8	104.4	59.4	0.0
Saudi Arabia	119.0	111.8	101.0	140.1	150.5	105.5
South Korea	40.0	30.1	0.0	0.0	0.0	0.0
AFRICA	233.7	188.7	181.2	181.6	171.1	157.2
Algeria	21.0	16.3	16.3	3.0	1.4	2.2
Cote d'Ivoire	21.9	13.7	13.7	12.3	20.4	0.1
Ghana	73.5	82.4	77.4	72.6	70.3	60.6
Liberia	16.8	9.2	8.0	9.3	2.9	0.1
South Africa	86.0	51.9	54.7	57.0	69.6	81.2
WESTERN HEMISPHERE	2,579.5	1,919.9	1,936.3	1,305.3	1,410.1	1,740.6
Brazil	400.1	0.2	0.2	2.0	4.4	555.0
Canada	187.3	127.5	105.5	99.8	101.9	122.3
Colombia	2.0	2.8	1.4	17.2	1.4	10.9
Costa Rica	187.3	127.5	160.7	81.6	84.0	41.2
Cuba	128.3	70.8	71.6	0.0	0.0	0.0
Dominican Republic	0.0	1.0	1.0	56.0	56.0	61.4
Guatemala	54.9	76.7	76.2	35.6	41.9	29.3
Haiti	323.9	269.3	249.7	157.9	144.4	163.7
Honduras	130.2	163.1	163.1	105.6	113.6	47.3
Jamaica	61.8	19.0	19.4	31.5	34.7	15.2
Leeward & Windward Is.	9.9	8.7	7.2	4.2	11.1	10.6
Mexico	759.6	672.6	740.3	582.6	629.2	417.2
Nicaragua	141.3	157.6	156.7	85.2	94.8	61.0
Panama	8.5	38.9	38.9	2.3	14.8	7.5
Peru	2.3	0.7	0.7	1.0	19.4	117.9
El Salvador	77.2	90.4	93.5	40.4	55.3	30.1
Trinidad	22.7	25.6	15.6	9.0	0.2	22.8
Venezuela	56.2	0.1	0.2	0.2	0.0	0.6
Unknown	14.1	9.8	0.0	0.0	0.0	0.0
TOTAL	4,297.9	3,301.1	3,269.0	2,650.8	3,043.9	2,928.5

1/ Columns labeled "Market year" are total August-July exports reported in U.S. Export Sales. Columns labeled "as of" are combined exports and outstanding sales at a particular date.

U.S. Export Sales reports on a product-weight basis. Food donations are not included in U.S. Export Sales.

Source: Foreign Agricultural Service, USDA.

Last updated July 11, 2003.

Table 6--U.S., Thailand, and Vietnam milled rice prices

Month or marketing year 1/	U.S. 2/			Thailand 5/				Viet. 6/	
	Long grain 3/ Texas	Medium grain 4/ Calif.	Parboiled Texas	100% Grade B	5% parboiled	15% 35% brokens	A.1 7/ Special	5% brokens	
	\$ / metric ton 8/								
1995/96	414	445	456	362	344	335	302	265	N/A
1996/97	450	415	479	338	323	303	259	216	N/A
1997/98	415	396	455	302	292	275	237	197	269
1998/99	369	470	418	284	276	261	236	217	257
1999/2000	284	454	395	231	242	209	185	160	202
Aug 2000	254	419	361	193	208	175	160	144	183
Sep 2000	257	408	364	185	192	170	157	143	176
Oct 2000	271	375	364	193	200	176	157	137	178
Nov 2000	276	349	364	191	190	173	153	128	177
Dec 2000	276	334	364	190	188	173	153	129	170
Jan 2001	276	317	364	190	189	174	153	135	168
Feb 2001	276	290	364	190	184	174	152	134	163
Mar 2001	276	276	364	182	174	165	142	126	151
Apr 2001	276	258	346	170	164	154	135	121	147
May 2001	276	243	342	172	171	154	138	123	153
June 2001	276	243	342	177	180	158	144	130	154
July 2001	276	243	342	177	198	160	148	137	156
2000/01	272	313	357	184	187	167	149	132	165
Aug 2001	267	243	334	174	202	160	149	141	176
Sep 2001	243	231	287	178	214	167	157	148	173
Oct 2001	243	287	287	174	213	165	155	146	177
Nov 2001	226	287	287	178	198	168	157	134	191
Dec 2001	220	287	287	184	197	173	160	134	192
Jan 2002	220	287	287	197	193	184	170	143	193
Feb 2002	204	287	287	201	195	187	168	144	185
Mar 2002	201	287	282	198	190	182	166	146	172
Apr 2002	194	274	276	196	188	183	167	149	186
May 2002	193	265	276	207	192	192	172	150	193
June 2002	168	265	265	208	195	192	177	148	191
July 2002	176	265	265	205	194	190	175	152	189
2001/02	213	272	285	192	198	179	164	145	185
Aug 2002	176	265	265	197	195	183	171	148	190
Sep 2002	195	265	283	192	194	179	169	149	191
Oct 2002	198	265	287	192	195	179	171	157	187
Nov 2002	198	265	287	193	196	180	173	158	186
Dec 2002	198	265	287	191	190	180	171	154	182
Jan 2003	198	265	287	206	196	193	182	152	173
Feb 2003	198	282	287	204	196	191	179	150	172
Mar 2003	200	287	289	201	193	188	177	146	175
Apr 2003	229	287	306	200	191	186	175	141	178
May 2003	246	287	309	204	193	189	177	143	185
Jun 2003	254	331	309	209	200	195	183	151	184
Jul 2003 9/	254	375	309	207	204	191	181	151	184
2002/03 9/	212	287	292	199	195	186	176	150	182

N/A = Not available.

1/ Simple average of weekly quotes. 2/ 100-pound bags, domestic market. Lowest quote offered. 3/ Number 2, 4-percent brokens. 4/ Number 1, 4-percent brokens. 5/ Nominal price quotes f.o.b. Bangkok, long grain. U.S. counselor, Bangkok. f.o.b. Bangkok, long grain. 6/ f.ob. Saigon. Price quotes from industry sources.

7/ 100-percent brokens. 8/ Bagged. 9/ Preliminary.

Last updated July 11, 2003.

Table 7-Global rice production, monthly revisions and annual change

	2002/03 1/			2003/04 1/		
	June	July	Monthly revisions	June	July	Annual changes
	1,000 metric tons					
Argentina	410	410		—	455	45
Australia	280	280	0	—	358	78
Bangladesh	26,000	26,000	0	—	26,500	500
Brazil	7,250	7,250	0	—	7,000	-250
Burma	10,440	10,440	0	—	10,440	0
China	122,180	122,180	0	—	120,000	-2,180
Egypt	3,705	3,705	0	—	3,900	195
India	77,000	77,000	0	—	91,000	14,000
Indonesia	33,200	33,200	0	—	33,300	100
Japan	8,089	8,089	0	—	8,000	-89
Korea, South	4,927	4,927	0	—	5,000	73
Malaysia	1,470	1,470	0	—	1,520	50
Nigeria	2,200	2,200	0	—	2,300	100
Pakistan	4,228	4,228	0	—	4,500	272
Philippines	8,450	8,450	0	—	8,600	150
Sri Lanka	2,058	2,058	0	—	2,108	50
Taiwan	1,271	1,271	0	—	1,140	-131
Thailand	17,124	17,124	0	—	17,800	676
Vietnam	21,090	21,090	0	—	21,000	-90
EU	1,706	1,706	0	—	1,625	-81
United States	6,507	6,507	0	6,228	6,103	-404
Uruguay	613	613	0	—	735	122
Others	21,207	21,207	0	—	20,697	-510
World Total	381,405	381,405	0	393,730	394,081	351

— = Not available. 1/ Projected.

Source: Global production projections are provided monthly by USDA's Interagency Commodity Estimates Committee (ICEC). Participating agencies include FAS, FSA, ERS, and the World Agricultural Outlook Board.
Last updated July 16, 2003.

Table 8-Global rice trade, calendar years 2003 and 2004; major exporters and importers

	2003 1/			2004 1/		
	June	July	Monthly revisions	June	July	Annual changes
	1,000 metric tons (milled basis)					
Exporters:						
Argentina	200	200	0	---	200	0
Australia	300	300	0	---	250	-50
Burma	600	500	-100	---	500	0
China	2,250	2,250	0	---	2,500	250
Egypt	500	600	100	---	700	100
Guyana	175	175	0	---	175	0
India	4,000	4,000	0	---	3,500	-500
Pakistan	1,400	1,600	200	---	1,600	0
South Korea	300	500	200	---	0	-500
Thailand	7,500	7,500	0	---	8,000	500
Uruguay	600	600	0	---	750	150
Vietnam	4,000	4,000	0	---	4,000	0
European Union	475	475	0	---	475	0
Others	934	1,069	135	---	934	-135
United States	3,600	3,700	100	---	2,700	-1,000
World total	26,534	26,969	435	---	25,886	-1,083
Importers:						
Bangladesh	700	700	0	---	500	-200
Brazil	1,000	1,000	0	---	1,000	0
Canada	250	250	0	---	250	0
China	300	300	0	---	300	0
Colombia	75	75	0	---	90	15
Costa Rica	100	100	0	---	100	0
Cote d'Ivoire	650	650	0	---	650	0
Cuba	600	600	0	---	600	0
El Salvador	75	75	0	---	75	0
Ghana	250	250	0	---	250	0
Guinea	300	300	0	---	300	0
Haiti	300	300	0	---	300	0
Honduras	80	90	10	---	100	10
Indonesia	3,500	3,500	0	---	3,500	0
Iran	750	750	0	---	1,500	750
Iraq	1,100	1,100	0	---	1,100	0
Jamaica	50	50	0	---	50	0
Japan	650	650	0	---	650	0
Korea, North	500	700	200	---	300	-400
Korea, South	150	150	0	---	205	55
Malaysia	500	500	0	---	550	50
Mexico	550	550	0	---	600	50
Nigeria	1,500	1,250	-250	---	750	-500
Nicaragua	75	75	0	---	100	25
Peru	40	40	0	---	40	0
Philippines	1,200	1,200	0	---	500	-700
Russia	350	350	0	---	350	0
Saudi Arabia	950	950	0	---	950	0
Senegal	750	750	0	---	750	0
Singapore	375	375	0	---	375	0
South Africa	650	650	0	---	650	0
Sri Lanka	90	90	0	---	90	0
Syria	150	150	0	---	170	20
Taiwan	125	125	0	---	125	0
Turkey	250	250	0	---	300	50
Uzbekistan	100	100	0	---	100	0
UAE	80	80	0	---	80	0
Yemen	250	250	0	---	250	0
European Union	875	875	0	---	875	0
Other Western Europe	50	50	0	---	50	0
Eastern Europe	379	379	0	---	368	-11
United States	425	425	0	---	435	10
Other 2/	5,440	5,915	475	---	5,608	-307
World total	26,534	26,969	435	---	25,886	-1,083

All trade data reported on a calendar year basis.

--- = Not available. 1/ Projected. 2/ Includes imports classified as "unaccounted" or not assigned a specific destination.

Source: Foreign Agricultural Service, USDA.

Last updated July 16, 2003.